

OVERSEAS NEWS

Japanese reduce oil liftings because Iran refuses discounts

BY KATHY EVANS IN DUBAI AND MARY FRINGS IN BAHRAIN

OIL TRADERS in Bahrain say Japanese liftings of Iranian crude, which were running at 500,000 barrels a day in May, June and July, have since dropped to 200,000 b/d because of Iran's tough attitude on price.

Libyans turned back from pilgrimage to Mecca

BY RICHARD JOHNS IN TRIPOLI

TWO CHARTER flights carrying Libyans on the annual pilgrimage to Mecca were turned back by Saudi Arabian authorities from Jeddah just over three weeks ago with all their passengers, according to diplomats here.

Four Britons still detained face 'serious charges'

BY RICHARD JOHNS

THE FOUR Britons still detained in Libya outside the normal judicial system, following the release and return to the UK yesterday of Mr Douglas Levingham, and Mr George Bush, face "serious charges", according to senior Libyan officials in Tripoli.

Two senior Nigerian leaders suspended

By a Correspondent in Lagos

TWO OF the most senior Nigerian traditional rulers, Alhaji Ado Bayero, the Emir of Kano, and Oba (chief) Oluwalabi Oluwole, the Oba of Ife, have been suspended from their offices for six months following their visits last month to Israel.

Israel currency reserve decline

By David Lennon in Tel Aviv

ISRAEL'S FOREIGN currency reserves, which caused major concern here when they dropped dramatically in July, continued to decline during August, the Bank of Israel announced yesterday.

French dismiss fluorine fears

By Paul Betts in Paris

THE FRENCH Government has said that no abnormal level of fluorine had been found in the hold of around the Mont-Louis, the French cargo vessel which sank off the Belgian coast last week with 30 containers of uranium hexafluoride, a radioactive gas.

Hijackers sent home

Seven Sikh militants who eight days ago hijacked an Indian Airlines aircraft to Dubai were yesterday sent to New Delhi to face trial after the U.S. turned down their appeal for political asylum, AP reports from Dubai.

Sikhs pledge to liberate temple

BY K. K. SHARMA IN AMRITSAR

OVER 40,000 Sikhs yesterday endorsed their five high priests' decision that if the Indian Government did not withdraw the army from the Golden Temple in the holy city of Amritsar by September 30, they would "liberate" it.

Over 200,000 see Rama Rao pray for success

BY JOHN ELLIOTT IN TRUPATI NEAR MADRAS

A FAMOUS Hindu temple near Madras, widely regarded by the rich and famous in India as a propitious place to pray for success, has been visited by Mr N. T. Rama Rao, a former film star and the deposed Chief Minister of Andhra Pradesh.

Bundesbank likely to hold key interest rates

BY JONATHAN CARR IN FRANKFURT

THE WEST German Bundesbank sees no reason to increase its key interest rates to try to attract an inflow of funds from abroad, despite the continued strength of the U.S. dollar against the D-Mark.

French dismiss fluorine fears

By Paul Betts in Paris

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Honecker delays pledge on visit

BY LESLIE COLT IN BERLIN

EAST GERMANY'S President, Herr Erich Honecker, failed to commit himself yesterday on whether he will make a planned visit to West Germany later this month.

Polish leader attacks U.S. policy

BY CHRISTOPHER BOBINSKI IN WARSAW

Gen Wojciech Jaruzelski, Poland's military leader, strongly attacked the U.S. at the weekend for seeking to undermine the post-war political order in Europe and accused West Germany of leading "the military reconquest of Western Europe by the Americans."

Paris steps up N. Africa efforts

BY PAUL BETTS IN PARIS

THE FRENCH Government continued to conduct intense and secretive diplomatic consultations throughout North Africa this weekend.

French dismiss fluorine fears

By Paul Betts in Paris

THE FRENCH Government has said that no abnormal level of fluorine had been found in the hold of around the Mont-Louis, the French cargo vessel which sank off the Belgian coast last week with 30 containers of uranium hexafluoride, a radioactive gas.

U.S. doubts Moscow is ready for arms talks

By Reginald Dale, U.S. Editor, in Washington

THE REAGAN Administration said yesterday it would welcome the weekend statement on U.S.-Soviet relations by Mr Konstantin Chernenko, the Soviet leader, if it meant the Soviet Union was now interested in reopening super-power disarmament negotiations or talks on other topics.

Sober Mexico assessment

By David Gardner and Peter Montague in Mexico City

MEXICO HAS emerged from the worst of its economic crisis but should guard against any premature claims of victory, President Miguel de la Madrid warned in his annual state of the union address at the weekend.

Car strike notice

The United Auto Workers Union said its members voted to authorize strikes against General Motors and Ford if union bargainers deem it necessary to obtain new national labour contracts, Reuter reports from Detroit.



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FINANCIAL TIMES SURVEY

REINSURANCE

'Get tough' policy pays

BY JOHN MOORE

THE 2,000 or so reinsurance experts meeting in Monte Carlo this week for their most important convention of the year will be in a more optimistic mood than for some time.

After five years of uncertainty and a shakeout among reinsurance practitioners there are signs that the downward trend in this arcane business cycle has been reversed.

Last May the Mercantile and General Reinsurance Company, Britain's largest reinsurer, pronounced boldly: "We see grounds to hope that the worst may be behind us and that a recovery of world reinsurance markets may be under way."

A healthy reinsurance market is of some consequence to the wider insurance community. Although as an activity reinsurance was recently described as being so complicated it was hardly worth bothering to understand it, it operates on a simple concept.

Reinsurance provides two central facilities for insurance companies: it allows them to spread out individual risks that are too big for even the largest insurance company to handle; and it allows a small company to accept more business than their own capital could safely support, which in turn stimulates the smaller companies' expansion.

As members of the public seek insurance protection, so insurance companies themselves often seek their own protection against large claims through the mechanism of reinsurance, laying off risks throughout the world.

While the origins of reinsurance are rooted in the 14th century it is only relatively recently that the industry has experienced boom conditions which have led to dramatic growth.

In 1983 reinsurance premiums amounted to \$5.6bn. According to the Swiss Reinsurance Company, one of the world's

largest reinsurance groups, total premiums retained by reinsurance companies for their own account amounted to \$50bn in 1982.

Almost half of this premium volume is handled by about 3,000 direct insurance companies or concerns which, apart from their direct insurance activities, also carry out reinsur-

NET REINSURANCE PREMIUMS	
Volume 1982* \$bn	
UK (including Lloyd's)	7.5
West Germany	6.7
U.S.	5.5
Switzerland	3.5
France	1.6
Other markets	2.5
Total	28.0

* Professional reinsurance companies

Source: Swiss Reinsurance Company

ance business. An estimated \$28bn is handled by over 350 professional reinsurance groups. By comparison, direct non-life premiums grew from \$40.1bn to \$267bn over the same period.

Before 1980 the reinsurance market was relatively small in terms of numbers of professional practitioners. These professionals were usually ultra-conservative when accepting risks and ensured that the business for which they were providing reinsurance cover proved profitable.

Advances in technology and the growing demands of industry, together with inflation produced risks of increasing value for the insurance companies which turned to the reinsurance community for extra protection.

More impetus to the growth of the reinsurance industry came when insurance capacity in the U.S. contracted dramatically in the early 1970s as falling

stock market values hit into insurance companies' reserves.

The U.S. insurance industry sought extensive reinsurance protection outside its own market. The reinsurers provided a pool of capital which paid for the large claims of the direct insurers who would have otherwise found their individual resources strained beyond their limits.

Much of the business flowed to London, which helped the UK to become one of the world's largest reinsurance centres. Professional reinsurance companies, and Lloyd's underwriters, in London now handle more than \$7bn of reinsurance premiums.

Continental reinsurance groups, seeing the possibility provided by the U.S. insurance market for reinsurance business, started developing their own operations in the U.S. while established U.S. insurance groups developed their own reinsurance departments to meet the demand.

Other influences contributed to a capacity explosion in the reinsurance community. The unexpected level of demand and high interest rates encouraged other non-insurance interests to enter the field, for reinsurance offered the attraction of providing a two-way return for those who staked its operations.

The reinsurers earn premiums which, as long as claims do not exceed the premiums, will produce a profit. Moreover, the premiums can be invested, which produces more income.

In reality, as newcomers found out, it was difficult to make an underwriting profit and losses had to be covered by whatever investment income could be generated.

New competition came from others quarters. Industrial companies, seeking to reduce the cost of their insurance programmes, established their own "captive" insurance companies which insured the risks of the

Re-insurance rates have strengthened with the elimination of surplus capacity built up during the industry's rapid growth.

Indications as to future trends could emerge at the sector's annual convention in Monte Carlo this week.

INSURANCE PREMIUM VOLUME WORLDWIDE

	1982 (\$bn)		
	Non-life	Life	Total
North America	148.4	89.5	237.9
European Community	65.9	43.6	109.5
Rest of Europe	12.4	8.1	20.5
Japan	18.5	44.1	62.6
Oceania	6.0	3.3	9.3
Other countries	15.9	10.5	26.4
World total	267.1	189.1	456.2

Source: Swiss Reinsurance Company

parent company.

Because the Internal Revenue Service ruled adversely that parent company premiums paid across to an in-house captive insurance company would be related to the amount of parent company insurance business for tax purposes, captive owners looked for ways to become more diversified insurance groups.

The unregulated reinsurance community provided the easiest way for captives to turn themselves into fully fledged risk-carrying subsidiaries.

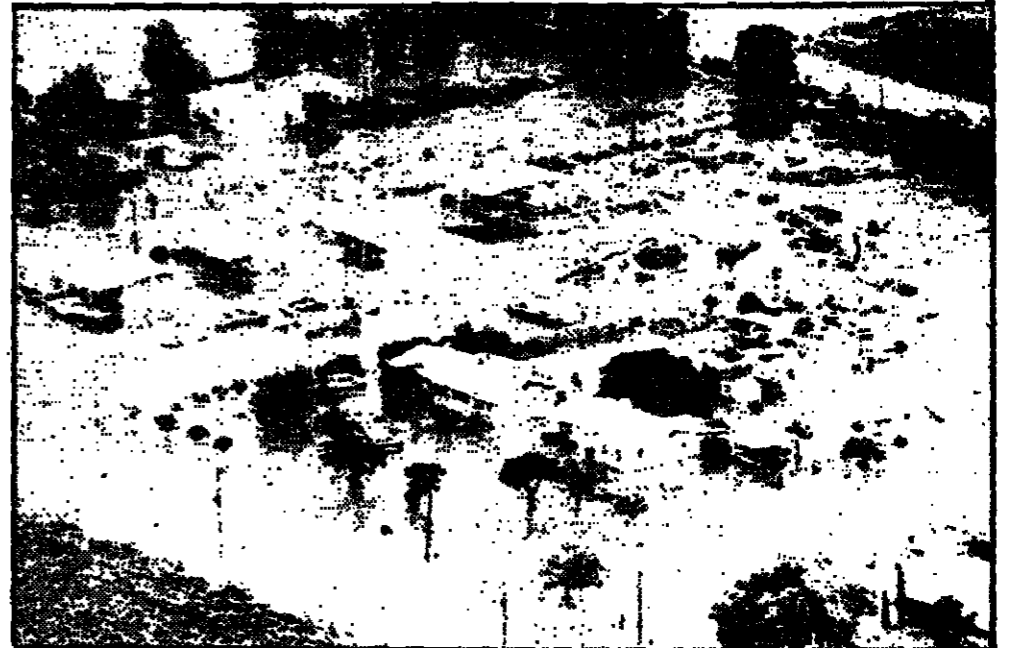
In 1982 captive companies were handling \$6bn of premiums and a large chunk of that was accounted for by reinsurance business. Two-thirds of the premiums were lodged in companies based in Bermuda to take advantage of the low taxation exacted there.

With so much money washing

around in the reinsurance market less scrupulous operators moved in. Participants new to the game saw reinsurance as little more than a glamorous banking operation, an access to an almost unlimited supply of capital at low cost.

Many of the newcomers describing themselves as reinsurers were operating no more than shell companies which took in money through a reinsurance contract, retained a tiny part of the risk and reinsured the bulk of the business with other reinsurers.

Risks became storied throughout the world—fragmented over and over again as international risk-carriers sought a slice of the business. Hundreds of reinsurers—in a sub-stratum behind the direct insurance companies—could be responsible for paying out parts



Floods near Tucson, Arizona, last year. Much of the reinsurance business has flowed to London

of claims on any one risk. While procedure, this ensures that no one insurer is exposed to claims which are too onerous, other problems have been created.

There has been mounting concern within the industry about the underlying financial security that forms the basis of a reinsurance chain; and for years professionals have warned that major collapses have been imminent, which could put pressure on the entire insurance industry.

At the same time the underwriting results of the reinsurers have been deteriorating as competitive pressures mount. Too many reinsurance carriers have been chasing business volumes which were not growing at the same rate as the number of participants and the amount of reinsurance capital available.

Since 1978, when U.S. reinsurers were showing an average—and relatively healthy—ratio of claims to premiums and expenses of 89.5 per cent that steadily deteriorated to 116.4 per cent in 1983.

Between 1982 and 1983 the results deteriorated from a ratio of 111.6 per cent to 116.4 per cent, according to figures prepared by the Reinsurance Association of America.

Underwriting results elsewhere have been equally dire. In Bermuda the 1,200 captive companies, which seldom saw the best business offered, faced

nightmarish problems. The captives' limited underwriting skills and the poor quality of the business led to huge losses which forced the large parent companies to reconsider their insurance activities. There has been a dramatic withdrawal of capacity in the captive market.

Contraction

Mercantile and General says that there is a significant and continuing contraction of reinsurance capacity and markets, in which the reinsurers themselves lay off their own risks, which has been in progress for nearly two years.

More emphasis is being placed by intermediaries and by purchasers of reinsurance on the security aspects of reinsurers and on their ability and willingness to perform under the contracts into which they have entered.

Established reinsurers have been turning away business if they are not satisfied with the terms in an effort to improve the underwriting results of the market. In the U.S. domestic reinsurers are trying to retain more of their business in their local markets rather than see reinsurance premiums exported to Europe. This in turn has put pressure on traditional markets in Europe, which are now trying to raise rates.

This time last year the mood

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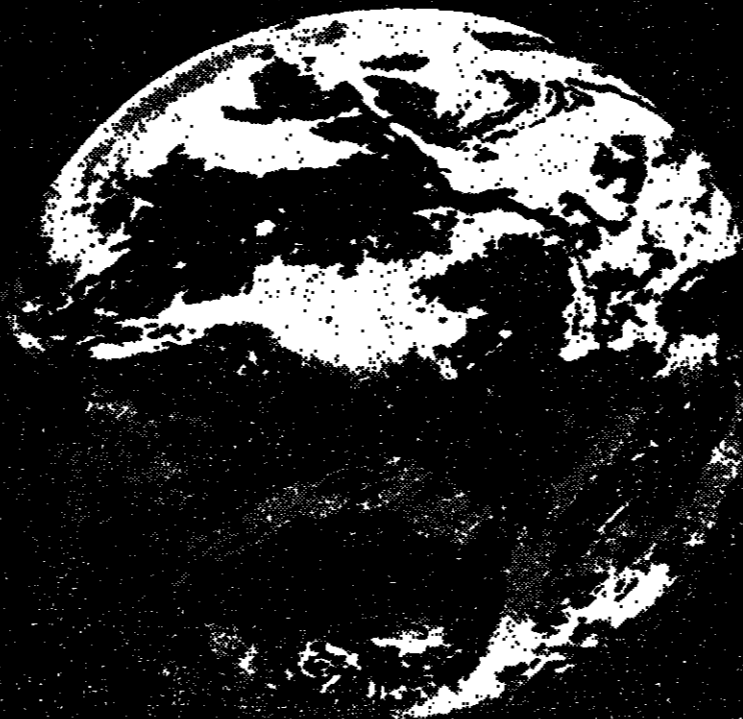
Editorial production: Arthur Dawson; layout: Philip Hunt

In Monte Carlo was sober. The convention usually provides early indications of which way reinsurance rates are likely to go over the winter months, when contracts are renewed and other business is placed in the market.

Established reinsurers succeeded in persuading the delegates at last year's convention to "get tough" in the renewal season and rates in London and some other centres rose sharply for the first time in five years.

This week in Monte Carlo the reinsurers will be looking for ways to maintain that recovery.

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REINSURANCE 2

Protection against the potentially catastrophic

Role of reinsurance
JOHN MOORE

THIS YEAR insurance underwriters faced a total payout of up to \$300m through their involvement with communication satellite business. Damage to shipping in the Gulf area is estimated to have cost underwriters another \$350m.

Insurance claims on property damage from hurricanes Alicia, last year, are expected to top \$1bn. Liabilities arising from asbestos are expected to cost industrial companies a total of \$350m in compensation plus a further \$250m in legal costs and the insurance claims will be enormous.

It might have been a disastrous experience for the primary market. Although that market has been hit hard, the use of reinsurance has mitigated some of the worst effects.

Underwriters who paid up on the communications satellite failures had used extensive reinsurance programmes to protect themselves, in some cases laying off up to 100 per cent of their risks. Reinsurance cover is used widely as protection on risks which are regarded as potentially "catastrophic."

Reinsurance business is placed in the market using two basic methods—proportional reinsurance and non-proportional reinsurance. Under a proportional reinsurance the reinsurer accepts a fixed share of the liabilities assumed by the direct insurer under the original contract of insurance. Under a non-proportional

reinsurance contract the reinsurer has to pay up only if the losses incurred by the primary insurer exceed some predetermined figure.

Non-proportional business has gained in popularity in the past few years since it is designed to stabilise the results of any risk carrier using reinsurance through reducing its exposure on any individual risk. A further advantage of non-proportional reinsurance is the saving in administrative time and expense in a reinsurer's operations.

In non-proportional arrangements excess of loss contracts and stop-loss reinsurance are used.

Under an excess of loss contract the reinsurer agrees to pay for losses above a fixed limit. The reinsurer will specify an upper limit on the amount he will pay, say up to £1m in excess of £500,000.

For example, a primary insurer may arrange three separate excess of loss arrangements for its motor insurance account through treaties. All types of reinsurance is arranged through treaties.

A treaty is an agreement between a company seeking reinsurance and one or more insurers in which the reinsurers undertake to reinsure business of a certain category for a set period. The reinsurer meets any claims under the contract during that period.

If the primary insurer finds a risk he wants to insure the reinsurer automatically gets a slice of the action without making any further effort by himself.

When a primary insurer arranges reinsurance for his

REINSURANCE OF A MOTOR ACCOUNT

	Lower limit: Reinsurer assumes liability	Upper limit: To reinsurer's liability
(1) First excess of loss layer	£18,001	£25,000
(2) Second excess of loss layer	£25,001	£100,000
(3) Third excess of loss layer	£100,001	£500,000

motor insurance account he might organise it through three separate excess of loss treaties as in the table above.

Upper limit

In a stop loss reinsurance arrangement a company will be protected against its annual net loss exceeding a particular underwriting account exceeding some tolerable figure. The reinsurer's liability is for losses exceeding in the aggregate either an agreed monetary amount or a fixed percentage of net premium income, subject to an upper limit.

Those seeking this type of protection might be required to retain for their own account a proportion, usually 10 per cent of the risk. So, for example, a stop loss reinsurance may cover 90 per cent of the net losses (after other reinsurance recoveries) incurred during the year in excess of 70 per cent of net retained premium income up to a further 40 per cent.

In this example the company would be protected in reinsurance up to 90 per cent of his account if it suffers a loss ratio of between 70 per cent and 110

per cent in any one year.

In proportional business the reinsurer can agree to pay a fixed share of say, 40 per cent, of any loss in exchange for 40 per cent of the direct insurer's premium, after the deduction of a commission to compensate the primary insurer for expenses incurred for their mutual benefit. This is known as a quota share arrangement.

The other main form of proportional reinsurance is surplus reinsurance. This, like quota share schemes, accepts a certain share of a risk, receiving an equivalent proportion of the gross premium (less reinsurance commission) and paying the same portion of all claims. The basic difference between the two is that under surplus reinsurance arrangements the insurance company is only reinsuring the portion of any risk which exceeds the risk being carried by the insurance company itself.

In this arrangement the reinsurer will agree to pay a "surplus," for example, equal to 10 times the primary insurer's retention of any risk. If the retention limit agreed is £200,000 and a \$4m factory burns down,

the reinsurer will pay £2m (10 times the retention).

The remaining £1.8m of the loss will have to be met by the primary insurer unless he has laid off the balance of the risk in the form of other reinsurance.

These main types of reinsurance all have strengths and weaknesses. On surplus lines business the primary insurer will retain for its own account the less hazardous business while passing over the heavier risks to the reinsurers.

Moreover, the reinsurer may acquire an imbalanced portfolio of business in this method. There is often a lack of information about the type of business which is being passed across to the reinsurer.

A quota share arrangement provides a safety net for underwriters to accept business safe in the knowledge that reinsur-

ance is available automatically to contain losses. In turn the reinsurer receives a share of every risk to obtain a more balanced portfolio of business.

In this relationship identical interests are forged between the reinsurer and the user of reinsurance since often insurer's premium rates are set only after reaching an agreement with the reinsurer.

The disadvantages for the user of this type of reinsurance is that he is unable to select which risks he would prefer to hold on his own account without reinsurance, and the arrangement does not smooth the experience of any underwriting account. The incidence of claims on the retained portfolio will be exactly the same as on the total portfolio.

In non-proportional lines of reinsurance business the reinsurer lacks the direct relationship with the primary company. This could work in the reinsurer's favour.

If the original business has been inadequately rated for the excess of loss the reinsurer has the freedom to quote rates for the reinsurance cover he provides on the basis of his own experience of such business.

More questionable practices have grown up in the market as less scrupulous practitioners have attempted to take advantage of the large pool of cash available for non-insurance purposes in a largely unregulated environment. Reinsurance has become a more complex financial activity.

Yet there are signs that established reinsurers are attempting to bring order to their own markets by refusing to do business with the less responsible elements.

Steady growth helped by advance in savings

Life Assurance
ERIC SHORT

LIFE assurance in the UK goes from strength to strength, with the resulting life reinsurance well in recent years.

Life reinsurance, unlike its general reinsurance counterpart, still tends to operate on a parochial basis. Direct life business will be reassured locally rather than internationally, with very little broker involvement. Thus when life reinsurance is expanding, life reinsurance is also buoyant. But the increases do not necessarily go in step.

Life reinsurance in the UK last year broke all records, (thanks to the change to MIRAS, the new system of crediting tax relief on mortgage interest. This made repaying a mortgage by a life policy more attractive to many householders switched to this system of repayment. Thus traditional life business soared.

Low cover

However, life reinsurance in the UK failed to benefit from MIRAS. The life cover under each mortgage repayment policy is comparatively low—too small to need reinsurance. New life business in the UK year came from the continued steady expansion of protection and savings business.

This year new life business in the UK was holding up well at the half-year stage, despite the Chancellor's ending LAFR (Life Assurance Premium Relief) in his Budget. This tax credit that was granted on regular premium life contracts had been an unbeatable sales aid for life assurance.

However, life reinsurance companies in the UK feel that they will benefit from the loss of LAFR. Life intermediaries are now concentrating their efforts on selling investment plans to higher rate taxpayers, and on selling protection contracts, particularly term contracts to the self-employed on which full tax relief is still available. All these types of business tend to have high levels of life cover and thus need reinsurance facilities.

Indeed, the outlook for UK life business, and its consequent need for reinsurance, seems set fair for the future. The major Swedish insurance group, Skandia, has recently expanded its UK operations into the life reinsurance market. Though the existing reinsurers complain of severe competition, they do not face the chronic overcapacity problems of general reinsurers.

Life reinsurance companies have not only expanded their operations through writing bread-and-butter risk premium

business; they have boosted their growth through their financial support of the smaller unit-linked life companies operating in the UK. This has enabled such direct companies to grow far faster and with smaller capital resources than would have been possible on their own.

This financial support is going to be essential for many smaller life companies this year when the strong solvency margin requirements that came into operation in March of this year.

The UK Government adopted the strong solvency margin set out by the EEC, based on the practice in European countries, despite intense opposition from the UK life insurance industry.

These solvency margin requirements are related more to the needs of ensuring the solvency needs of traditional life assurance with its high level of financial guarantees rather than to linked-life assurance, where the investor carries all the financial risk.

The new solvency requirements will mean simply extra administration chores for the traditional life companies. None of them is likely to have problems meeting the solvency requirements of the smaller ones. The new solvency margin requirements will mean earmarking more capital and reserves just to fulfil the requirements; capital that will do nothing more than wash its face.

This situation has aroused considerable criticism and concern from the smaller linked life companies which have described the requirements as overkill. They are having to tie up capital that could be used for developing the business, without adding any further protection to investors.

Capital needs

Life reinsurance companies have been able to provide considerable help to their smaller company clients in two ways. First, they have used their expertise in advising on the implications of the solvency requirements and the capital needs to provide the necessary margins.

Secondly, the burdens can be eased but by no means removed by reinsurance. Life reinsurance companies not only provide the reinsurance facilities but can advise on how to make the arrangement to maximum effect. This is likely to provide reassurers with a steady flow of business in the future.

The life reinsurance companies themselves are affected to a large extent by the solvency margin requirements. They have been able to secure considerable concessions from the original requirements. Even so there is a considerable financial strain putting business

Fowler proposals

Other reinsurance groups in the UK are now following the lead of Swiss Re (UK) into these marketing areas.

Finally, the Government's personal pension proposals announced in July by the Social Services Secretary, Mr. Norman Fowler, offer interesting prospects for reassurers operating in the UK.

Under these proposals, an employee taking out a personal pension must provide an adequate widow's pension—the first instance of compulsory life insurance being imposed on individuals in the UK. But this raises certain problems if the employee concerned is in poor health.

Reassurance companies have considerable expertise in offering life cover to such individuals. They have been to the forefront in the progressive relaxation of underwriting standards, so that persons once regarded as uninsurable can now get life cover at reasonable premium rates. This experience can prove useful in dealing with this aspect of the personal pension proposals.

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STANDING IN FRONT OF THE LEGAL & GENERAL HEADQUARTERS IN LONDON ARE FROM LEFT TO RIGHT: Richard Sleight, Head of Securities Investment UK and International; Ted Davis, Head of UK Equity Investment; Jim Robinson, Head of International Investment; Sarah Dorch, UK Fund Manager. CHASE: Neville Walton, Manager, Insurance Division; Stuart Webb, Executive Director, Chase International Investment Group; Robert Kay, Assistant General Manager; Colin Grimsey, Manager, Corporate Custody Division.

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Service People Global Network

REINSURANCE 7

Co-operation grows on a regional basis

The Middle East

MARY FRINGS

THE GULF shipping war has indicated practically no loss on the Arab regional insurance market, although conference shipping lines, including United Arab Shipping Company (UASC), have recently adjusted their surcharges on Gulf-bound cargo.

On containers loaded in Mediterranean ports this surcharge has risen as high as 34 per cent.

Kuwait Oil Tanker Company (KOTC) did not take out war risk cover on its 23 crude and product carriers until last March and cancelled it in July when oil rates increased. But those national fleets that do insure against war risk deal with a consortium of locally-owned insurance companies in their shareholder states.

Profitable

In 1980 27 of these companies formed the Arab War Risk Insurance Syndicate (AWRIS), which has so far been extremely profitable (see table) although gross premium income fell from \$1.7m to \$1.5m between 1981 and 1983 as a result of a smaller volume of imports and transit cargo.

Except in the case of Iraq, the reduction is due to shrinking oil revenues and cutbacks in projects rather than to the long-drawn-out hostilities.

While the total bill for war-related marine loss in the Gulf is now estimated at \$600m, including the \$450m paid out to owners of vessels trapped in the Strait of Hormuz, claims settled by AWRIS for 1983 amounted to no more than \$12,500.

This year there have been no major losses arising from recent events in the region, according to Iraq Re, which manages the pool.

AWRIS retains only 1 per cent

of the risk for its members' account and the collective liability is limited to \$2.5m on any one ship, since the cover may not exceed \$125m for hull and the same amount for cargo. Most of the remainder finds its way to the London market, although ARIG takes a small share of loss participation.

Five other regional reinsurance pools have been established under the auspices of the General Arab Insurance Federation (GAIF), starting in 1968 with the Arab fire pool arranged by Tunis Re and the aviation pool (Société Générale de Reassurance—Morocco).

These were followed by the engineering pool in 1971 (Iraq Re), the marine cargo pool in 1972 (Kuwait Re) and the marine hull pool in 1974 (Morocco).

None of these pools has been adequately supported by ceding companies and their progress has been disappointing, although proposals to reactivate them were put forward at this year's GAIF conference in Baghdad.

There is a growing trend for co-insurance of large risks among the nationally-owned insurance companies in the market, which also co-operate on a regional basis to arrange cover for Arab joint ventures such as ArabSat (a telecommunications satellite project), Gulf Air, the Arab Shipbuilding and Repair Yard (Asry), and shipping lines.

An example is the consortium for the United Arab Shipping Company (UASC), which comprises direct and reinsurance companies in Iraq, Kuwait, Bahrain, the UAE, Qatar and Saudi Arabia, led by Gulf Insurance Company of Kuwait.

At least 50 per cent of the risk is placed with members of the consortium, who retain a greater or lesser proportion of their share according to their own treaties.

Another 10 per cent is placed with Arig, 18-20 per cent through London brokers, and 20 per cent through U.S. brokers.

ARAB WAR RISK INSURANCE SYNDICATE (AWRIS)

(27 participating national insurance companies)

Gross premium income (\$m)	1981	1982	1983
UAE	1,025	0,854	0,940
Bahrain	0,126	0,140	0,165
Saudi Arabia	1,059	0,238	0,279
Iraq	6,857	7,439	3,273
Qatar	0,261	0,194	0,152
Kuwait	2,412	1,567	1,680
	11,686	10,712	6,480
Unexpired risk reserve	n/a	2,550	2,590
Contingency reserve	n/a	2,500	3,060
Investment income	n/a	1,159	1,068
Net profit (before allocations to free reserve)	n/a	3,574	2,467
Free reserve	n/a	3,453	4,750
Unallocated net profit available for pro rata distribution	n/a	1,250	1,200
Profit commission payable to participants	n/a	2,707	*1,450
Claims	n/a	n/a	0,0183
Maximum cover on one vessel: \$125m on hull (retention 1%) \$125m on cargo (retention 1%)			

* Estimated

When covering industrial installations worth hundreds of millions of dollars—up to an astronomical \$24.8bn for Aramco—Arab insurers have been out of their depth both in terms of capacity and skills, although Arig is now beginning to develop its capabilities in this field.

A new publicly-owned reinsurance company, to which other domestic companies will compulsorily cede 26 per cent of their business, is being formed in Qatar. National reinsurers also handle a major share of the business in Algeria, Egypt, Morocco, Iraq, Kuwait, Tunisia and Sudan.

Among them, Iraq Re quotes 1983 premium income of \$154m, of which 70 per cent is domestic, Egypt Re derives 68 per cent of its \$77m premiums from its home market, and Kuwait Re (\$68m) a slightly lower proportion.

Disparity

The disparity between premium income and liability is less marked than among direct insurers, but even so there are wide variations. Iraq Re's net retention is 70 per cent and Egypt Re's 65 per cent, but their home markets are protected from foreign competition and rates can therefore be controlled. Kuwait Re, which works in a more competitive environment, retains only 24-25 per cent.

Alongside the national reinsurance companies there are four multinationals: Arig, based in Bahrain; Arab Re in Beirut; Arab Union Re in Damascus; and Mediterranean Insurance and Reinsurance in London. The volume of business avail-

able in the Arab world (with annual premiums estimated at some \$5bn) has attracted a large number of reinsurance brokers, including the Arab-owned Bati Insurance Services, which has set up an offshore company in Bahrain.

There are also specialist companies such as Scanrisk, which offers loss prevention and risk management services.

Steady progress by Arab Insurance Group

MANY of the myths surrounding the creation of the \$3bn Arab Insurance Group (Arig) in 1980 have been exposed over the past two years.

There has been no sign of the political motivation which was seen as a consequence of Libyan, Kuwaiti and United Arab Emirates (UAE) and there has been no confrontation with Lloyd's.

Nor has Arig become a dumping ground for the poor-quality business rejected by other reinsurers. It is not so greedy for growth that it will support low rating or other unsound practices.

In short, Arig has proved to be a conservatively-run company guided by the normal commercial criteria, and it has developed a working relationship with the rest of the insurance community. It has been without a chief executive since Mr Ali Al Bedah resigned in 1981, but management by committee seems to work and the company has attracted underwriters of international repute.

Performance last year was in line with realistic targets which took account of the over-capacity in the re-insurance market, the increasing economic pressures on Arab oil producers and the scarcity of good-quality business.

Bottom-line profits of some

\$14m, compared with \$13.1m for the previous accounting period, were still only half the company's investment income, which was maintained at \$28m. (At the time of writing the 1983 results had not been finalised and figures quoted are approximate.)

Although estimated gross written premiums increased by only 10 per cent on the \$60m reported at the end of 1982, a better balance was achieved in the composition of the book by cutting down on marine lines and expanding on property insurance.

There were also some small advances in fire (although oil and petrochemical business remained highly competitive), engineering and non-proportional re-insurance.

Rates improved significantly in aviation, which represented 15-20 per cent of gross written premiums. Marine, almost equally divided between hull and cargo, accounted for another 20-30 per cent, while the rest was in fire, general accident and other classes of non-marine insurance.

Arig is not involved in war risk cover, apart from a limited participation in the Arab War Risk Syndicate's excess of loss programme; it also has a small satellite line in the order of \$500,000.

Total booked premiums

amounted to \$85m, well up on the \$41.3m shown in the 1982 balance sheet, and the retention was over 92 per cent. The small percentage retroceded was mainly on an excess-of-loss basis.

Roughly one-third of Arig's premium income is derived from the Middle East, one-third from Europe and North America and one-third from Asia.

Mr Farouk Kwaja, the senior underwriter, was particularly pleased with the increase from the U.S., where the company was able to attract direct from the cedars—not through brokers—some of better property business which it could not get the previous year.

Once again Arig decided that in the light of market conditions it would not be prudent to show a technical profit, preferring to build up its financial strength. Technical reserves were boosted from \$33.1m to \$60m, while shareholders' equity of \$150m in paid-up capital plus retained earnings and free reserves amounted to \$205m.

There have been two changes on the board of directors this year. The chairman, Mr Khalil Al Shemy, who also heads Gulf Insurance Company in Kuwait, retired at the end of his term of office to be replaced by Mr

Abdul Wahab Al Tammar, the Governor of the Kuwaiti central bank—an appointment that can only enhance ARIG's international standing.

Meanwhile, Ahmed Al-Tajer, who was given a ministerial post in the United Arab Emirates soon after his election as vice-chairman of Arig, has also retired. His successor is Nasser Al Nowais, chairman of the Abu Dhabi Fund for Arab Economic Development.

At present the staff in Bahrain and London total 110, including nine lead underwriters and 15 assistant underwriters. With the accent on consolidation, there are no plans to open new offices in 1984-85 but there are plenty of ideas for diversifying the company's products as a hedge against a stagnant traditional market.

Mr Gunnar Maltegard, a specialist in the offshore oil business, was due to join Arig on September 1 to develop the oil portfolio, and life re-insurance is under active consideration.

Mr Kwaja also sees immense potential in the field of financial insurance. For 1984 he is hoping for a further 10 per cent expansion, but warns of possible oil growth in dollar terms if the U.S. currency continues to strengthen.

MARY FRINGS

Over-capacity restricts rate increase

Switzerland

WILLIAM DAWKINS

SWITZERLAND has not been immune from the problems of overcapacity and declining premium rates which have bedevilled the reinsurance industry the world over.

And if there are signs that reinsurance premium rates are rising in some markets, they have so far passed Switzerland by. That, at least, is the experience of Zurich-based Swiss Reinsurance, by far the largest reinsurer in Switzerland, with gross reinsurance premiums of some SwFr 4bn, and one of the largest reinsurance groups in the world. Its largest Swiss competitor is Union Reinsurance, one eighth of Swiss Re's size, with gross premiums of around SwFr 500m.

Unless there is some hope that overcapacity is reduced, it

is very difficult to see rates improving," says Mr Erich Etter, deputy manager for Swiss Re.

The group's non-life reinsurance activities lost SwFr 197m in 1982, and Mr Etter says that they will again show a loss when the group publishes its 1983 results in November.

Net profits for the Swiss Reinsurance Group, which is also involved in insurance and life reinsurance, are expected to be broadly in line in 1983 with the SwFr 97m booked in 1982, itself an 18 per cent increase over the preceding year. In 1981, profits had dropped to their lowest level for six years.

Dr Walter Diehl, group chairman, warned at the time of the last results that the reduction of the non-life deficit was an "urgent necessity." The group had already cancelled numerous unprofitable reinsurance policies and was reducing its presence in the industrial fire, transport and aviation fields. It would continue to pull out of the most

difficult areas, even at the expense of losing premium income.

Swiss Re's life reinsurance activities have been less hard hit. They produced a slight increase in 1982, profits to SwFr 38m, but the group noted that big tariff reductions in its North American life business continued to make themselves felt.

Higher risks

Dr Diehl went on to say in his annual report: "The constant increase of the number of reinsurance suppliers has caused the capacity for risks of almost all branches to swell immensely in recent years. From experience, the result is pressure on prices where supply far exceeds demand. Consequently, the prices for reinsurance covers have declined to an unprecedented extent. . . . Reinsurers in numerous markets are currently experiencing how difficult and time-consuming it is to raise premiums once they

have fallen below cost price."

In common with other Swiss reinsurers, only a small proportion of Swiss Re's premium income is derived from its home country. But the problems it is experiencing in Switzerland provide a microcosm of the difficulties against which other groups are struggling in their own domestic markets.

To ease the strain on their local income, foreign companies like Munich Reinsurance of West Germany are increasingly turning to new territories, Switzerland included. "Foreign groups are squeezing our local business," says Mr Etter.

At home, meanwhile, a second new source of competition is emerging. Local insurance groups like Winterthur Swiss Insurance Company and Zurich Insurance are tending to turn to reinsurance because they feel that expansion possibilities in the insurance industry are becoming limited.

Swiss Re too is on the lookout for potentially profitable new markets. "We have to

fight. If we come to the conclusion that there are foreign markets with interesting new situations, then of course we try to go ahead," says Mr Etter.

However, the emphasis that Swiss Re will never be one for chasing extra business at the expense of margins. "Our policy is to put profit before pure volume growth," he states.

In its domestic market, the success of that policy depends on Swiss Re's ability to foster its considerable local contacts and to capitalise on the fact that it can give a closer service than its foreign competitors, which generally have to channel their Swiss reinsurance business through their head offices abroad.

Elsewhere, says Mr Etter: "We are trying to find new business categories and new service combinations." In the end, however, Swiss Re's ability to return to a more exciting growth path "is just a question of quality and how the business is handled."



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WORLD TRADE NEWS

California shelves unitary tax change

By Louise Kehoe in San Francisco

U.S. MULTINATIONAL companies have won the first round of their battle to stop reform of California's tax laws, which they say would benefit their foreign competitors.

Proposals to change the state's unitary tax law, under which companies are taxed on their worldwide income, have been dropped by the state legislature without being put to the vote.

They will come up for consideration again when the legislature reconvenes in January next year.

Efforts to reform the California unitary tax system, initially proposed in May by Mr George Deukmejian, Governor of California, met with strong opposition from powerful local industry groups, including the California Business Council which represents 90 U.S.-based multinational corporations.

In addition, a group of high technology companies including IBM voiced its opposition to the proposals, claiming that only foreign companies would benefit from the tax reforms.

IBM, the largest corporate tax payer in California, said that its tax assessment would be increased by 50 per cent by the "waters edge" assessment option offered in the Bills.

The U.S. companies objected to two aspects of the proposals. Foreign dividends paid to U.S. parent companies would have continued to be taxed by California, they pointed out. This would have given foreign multinational corporations an unfair benefit because their foreign dividends - normally paid to non-American parent corporations - would not be taxed by California.

In addition, many of the state's high technology companies objected to rules that would have taxed income derived from countries classified as tax havens, where local taxes are much lower than U.S. taxes.

Included in the tax haven definition are countries such as Singapore and Malaysia, where many U.S. microchip companies have extensive operations.

Ammonia plant to be expanded

By Paul Taylor in New York

W.R. GRACE, the U.S. speciality chemicals group, plans substantially to expand its joint venture ammonia plant operations in Trinidad with the Trinidad and Tobago Government.

The New York-based group said it had agreed in principle to a major \$250m project which will more than double annual capacity at the joint venture's fertiliser plant in Trinidad to 900,000 tons.

The joint venture plant, which is 49 per cent owned by W.R. Grace with the majority stake held by the Government, was established in 1974 with an initial \$55m investment.

Mr Lloyd Jacquier, an executive vice-president at W.R. Grace and head of its agricultural chemicals group, noted that a 15-year contract was signed recently which gave the plant access to the island's low-cost natural gas supplies. Natural gas is used as a feedstock in the production of ammonia.

Asean crosses swords with Japan

INCREASING SENSITIVITY among South East Asian countries over Japan's towering economic presence in the region has again been underlined by an unusually critical speech last week from Datuk Seri Dr Mahathir Mohamad, Malaysia's straight-talking Prime Minister.

Dr Mahathir questioned Japan's sincerity in assisting Malaysia's modernisation and advised the Japanese not to be merely "takers" in their relationship with the country. The speech, which echoed sentiments voiced widely in recent months, was promptly applauded by local businessmen, and it is clear that Japan is being put on notice to improve matters.

For the government of Mr Yasuhiro Nakasone, it marks the second time in as many months that Japan has found itself crossing swords with a member of the Association of South East Asian Nations (Asean), the non-communist regional grouping which embraces Malaysia, Singapore, Thailand, Indonesia, the Philippines and, most recently, Brunei.

In July, three days of ministerial level talks in Bangkok failed to resolve a festering trade dispute between Japan and Thailand and some pointed remarks were exchanged over

Malaysia's Prime Minister, Dr Mahathir Mohamad, has advised the Japanese not to be merely "takers" in their relationship with his country writes Chris Sherwell, South-East Asia Correspondent

the imbalanced relationship between the two.

Relations between Japan and the fast-growing Asean group are important. Mr Nakasone, on a tour of the region last year, acknowledged this when he said the destinies of the two were bound together. "There can't be prosperity in Japan without prosperity in Asean."

The figures for both trade and investment speak for themselves. In 1982, the last year for which data is available, Japan supplied 22 per cent of Asean imports and bought 27 per cent of the region's exports. Between 1951 and 1979, Japan invested more than \$60n (£4.5bn) in Asean, almost a fifth of its total world investment and second only to North America.

Japan is now Indonesia's, Malaysia's and Thailand's chief trading partner, the Philippines' second largest after the U.S. and one of Singapore's top three. It is the largest investor in Malaysia and Indonesia, the second largest in Thailand and one of the biggest in Singapore. Japan has not stinted in helping these resource-rich countries reduce their over-dependence on primary commodity production. Their industrialisation through import substitution and tariff protection through the 1960s and 1970s was good for Japanese capital goods suppliers, banks and the ubiquitous trading houses.

This industrialisation initially meant South East Asia tended to acquire low value-added, simple assembly industries like electrical goods, electronics and textiles, some of them with a large import content. As they scoured round successfully for export opportunities in order to expand business so, indirectly, did Japanese products penetrate industrial markets more deeply.

Nor did it stop there. Japan has benefited from a mighty construction boom in cities like Singapore, Kuala Lumpur and Bangkok, and also from the countries' desire to broaden their manufacturing sector and move into heavy industry.

The trend has been spurred on by the politicians. Mr

Nakasone's Asean tour was part of the required travelling schedule of a Japanese Prime Minister, while Dr Mahathir, shortly after coming to power in 1981, began a campaign to reform Malaysians' attitudes by urging them to "Look East" and learn from the work ethics, discipline and productivity of the Japanese and South Koreans.

Some Malaysians believe this policy has benefited the Japanese more than their own country, and Dr Mahathir has now expressed that view himself.

Nobody, of course, believes that Asean's relations with Japan are now moving into reverse. In non-economic matters, Tokyo has stood behind Asean on its major foreign policy issue of Kampuchea, and it has been careful to assuage Asean concerns over any build-up in Japanese defence capabilities.

In economic issues, too, Japan has undoubtedly been a powerful catalyst in the industrialisation and growth of the Asean countries, especially over the past 15 years. But the question being begged now is whether the benefits are too lopsided, and imbalance ought to be redressed. The signals from South East Asia are looking clearer than ever.

Even for these ships, Denholm Coates also referred to the steady stream of new ships being delivered on to the market.

On the tanker market, the tonnage surplus remains high while inquiries for big tankers from the Gulf is tiny. Brokers reported about 40 vessels of 10m deadweight tons waiting in the area for employment.

SHIPPING REPORT

Dry cargo markets expected to improve

BY ANDREW FISHER

SHIPOWNERS and brokers are looking for more action in dry cargo markets in coming weeks after the summer lull. But the outlook on the tanker side is poor, with rates weak in the absence of business from the Gulf.

Dry cargo trades already developed a more optimistic tone in August, mainly as a result of seasonal grain trends,

noted Matheson (Chartering). Harvests in Northern Hemisphere countries have been gathered, or are about to be, and rates have begun to pick up.

But not all types of vessels have benefited. It is mostly the rates for Panamax ships - able to go through the Panama Canal - and other large carriers that have risen.

Even for these ships, Denholm Coates also referred to the steady stream of new ships being delivered on to the market.

On the tanker market, the tonnage surplus remains high while inquiries for big tankers from the Gulf is tiny. Brokers reported about 40 vessels of 10m deadweight tons waiting in the area for employment.

Spain optimistic on defence deal

BY TOM BURNS IN MADRID

A VISIT to Spain this month by the chief of Turkey's general staff has prompted hopes among Spanish officials for the conclusion of a wide-ranging defence contract. There is particular interest in winning a \$300m order - for commuter aircraft adapted for military use - for Construcciones Aero Nauticas SA (Cansa).

The visit of Gen. Neodet Urug, who will be in Spain from September 9 to 12, will be the latest in a series of high level contacts in the past three months.

In July Sr Eduardo Serra, Spain's

Under-Secretary for Defence, visited Turkey.

The aircraft contract is for 52 Stal aircraft for transporting troops. Short-listed for the order is the CN-235, developed and built by Casa and by Indonesia's Nurtanio Airtech, and which has been presented in public for the first time at the Farnborough international air show in the UK.

Officials at the state holding company, INI, said yesterday that the desired agreement with Turkey was ambitious in its scope.

Air show, Page 4

WORLD ECONOMIC INDICATORS

		TRADE STATISTICS			
		July '84	June '84	May '84	July '83
UK £bn	Exports	5,476	5,893	5,436	5,107
	Imports	5,614	5,990	5,914	4,945
	Balance	-0,137	-0,097	-0,279	+0,162
Japan \$bn	Exports	14,454	14,465	14,282	12,590
	Imports	10,771	9,800	12,433	8,734
	Balance	+4,112	+4,851	+1,851	+3,776
W. Germany DMbn	Exports	39,46	35,41	41,49	33,18
	Imports	36,47	34,14	36,66	31,02
	Balance	+2,99	+1,27	+4,83	+2,16
U.S. \$bn	Exports	17,433	17,950	17,522	17,008
	Imports	25,356	25,549	28,368	21,024
	Balance	-7,723	-7,419	-10,846	-4,016
France FFfrbn	Exports	69,80	72,10	66,00	68,27
	Imports	74,25	72,02	70,40	63,97
	Balance	-5,25	+0,08	-4,40	-3,70
Italy Lirebn	Exports	10,040	9,502	10,818	8,245
	Imports	12,150	11,774	12,587	7,951
	Balance	-2,111	-1,872	-1,549	+2,94

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EDITED BY ALAN CANE

TECHNOLOGY

ALAN CANE AND ROBIN REEVES LOOK AT COMPUTER PRESSES

Publishers who face automation...

LIFE BEGAN to get tough for academic authors and their publishers at the beginning of the 1970s and it has become no easier since. The problem—and it is hardly unique to the publishing business—is production cost, especially in the case of comparatively short production runs.

WHEN XEROX looked for a new way to market its revolutionary but commercially unsuccessful "Star" workstation (direct ancestor of the Apple "Lisa" and "Macintosh"), it settled on what it called a "document creation system"—in other words, a desk-top publishing unit.

publishing systems have become a new growth area as companies seek new ways of reducing the cost and improving the quality of typeset documents required in limited quantities.

Apollo workstation, 70 megabyte hard disk, QMS Lasergrafix 1200 printer (based on the Xerox 2700), Tex software and a Mitsui optical character scanner which the company is using to feed text directly from the typed pages into the system.

Most academic monographs come into this category. "Publishers were over-optimistic," says Mr Peter Ferris, technical development manager for John Wiley and Sons: "They were printing more books than they could sell."

It used software to couple the Star with its large, high-definition screen, to a 12-page-a-minute laser printer. The result was a £37,000 package suitable for the production of camera-ready copy combined graphics and text. "Desk-top" or "in-house"

And although what Xerox is attempting with the Star is a particularly interesting development, the U.S. is by no means the leader in the development of these systems.

The first volume to be produced on the system—a 200 page dictionary of medical acronyms—is already in the proofing stage.

Publishers were printing 1,500 copies of a monograph and only selling 800. Mr Ferris pointed out: "Five or six years ago, nobody had ever heard of writing off unsold stock—now it is everybody's concern."

a technologically advanced publisher. It has been using computers for conventional tasks like accounting and stock control for 20 years, and was one of the first companies to take on board microcomputers—first Apples, now IBM PCs—in large numbers.

Now it can be provided with a lower cost laser printer—the CX—from the Japanese Canon company. It will print at eight pages a minute and the entire package costs about £47,000.

Wiley is not using the system actually to print copies of books; it uses the system to produce either a single, high quality original from which printing plates can be made directly (camera ready copy), or a magnetic tape which the printer can use to drive his phototypesetter.

... and the pioneers of the UK computerised printing

TUCKED AWAY in the depths of Somerset is a young British company producing computer systems for typographic work which offer large and medium sized companies the opportunity to establish their own in-house printing facilities for high quality, technically complex, documentation.

ing, boxes and rules, and selects and sorts typography, with the minimum of operator intervention. It can be expanded to provide three Mbytes of computer capacity, drive up to 16 terminals and a full range of peripherals.

of its kind in the UK. Scan Laser is almost four years old and was established to provide a corporate printing service on a bureau basis using the remarkable Xerox 8700 laser printer.

Mr Ferris believes the Sprint system will open new business for Wiley in short run publishing including specialist newsletters; he expects to be publishing at least one journal (Wiley publishes 50 academic and scientific journals at present) using the new system in the next 12 months or so.

Computers

Pyramid's UK subsidiary

PYRAMID TECHNOLOGY, set up in 1981 in Mountain View, California, to manufacture and market a mini-computer based on the Unix operating system, has set up a subsidiary to market the

machine in the UK. Shipments of the machine, the 96X, began in the U.S. in October of last year. It is a 32-bit computer with virtual memory. More in the UK on 0990 23377.

as an offshoot of a Dutch printing concern, to produce technology which would drive traditional monotype printing equipment electronically. About 18 months ago it was the subject of a management buy-out, after the Dutch parent went into receivership.

Mr Wedge and Mr Thomas took 40 per cent of the equity, a further 40 per cent was taken up by West Investments and 20 per cent by the Dartington Trust.

Lasers

Infra-red analysis

MANAGERS of power stations and scientists who supervise chemical reactions in industrial processes are among the people who buy the products of Laser Monitoring Systems, a small company in Hull.

Mr Wedge and Mr Thomas took 40 per cent of the equity, a further 40 per cent was taken up by West Investments and 20 per cent by the Dartington Trust.

Since then it has more than doubled its turnover to £1m last year, producing a pre-tax profit of £180,000. This year, it is on target to double turnover and profit again, while also maintaining its policy of spending 50 per cent of turnover on research and development.

Until now, Laser Monitoring Systems has designed and made its products using the facilities of the university's physics department.

Energy

Solar power

THE U.S. Department of Energy's Pacific Northwest Laboratory has developed a way of improving a material's ability to absorb light energy. This may lead to more efficient solar collectors.

In a typical application for the company's devices, a semiconductor laser mounted on the roof of a power station would beam radiation at gases such as sulphur dioxide or oxides of nitrogen that are emitted from a chimney. The gases absorb some of the light in specific frequency bands. The extent of the absorption is analysed by a set of semiconductor detectors.

Workers at the laboratory believe that it is a promising technique for solar devices.

From the readings, scientists could work out the concentration of the gases in the plume emitted from the smokestack, providing a way to monitor pollution.

Software

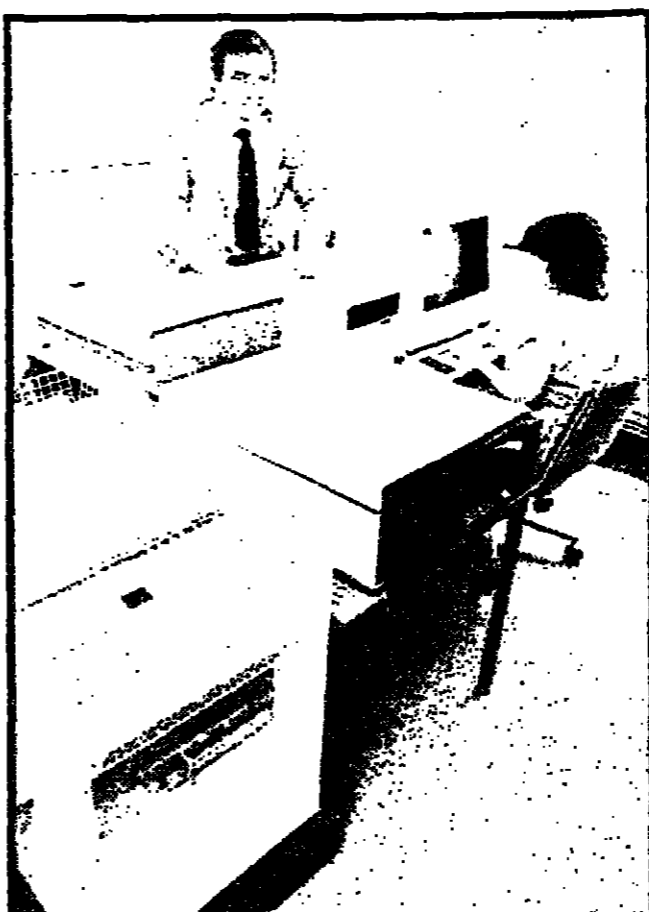
Design by computer

ACCORDING TO a recent report from Datquest, the market research company, interest in the deployment of computer aided design software on the personal computer is growing.

As well as doing some rudimentary design work on his machine, the engineer is also able to use the word processing software to write his reports and can also undertake budgeting, planning and scheduling. More about the report on 01-353 8897.

Software Design by computer

Software Design by computer



Dennis Fair, general manager production, with John Wiley's Syntext system. The Apollo workstation is on the right and the QMS Lasergrafix printer next to it

Dutch subsidiary is already information newsletter for the Netherlands publisher Elsevier.

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Software Design by computer

ACCORDING TO a recent report from Datquest, the market research company, interest in the deployment of computer aided design software on the personal computer is growing.

In 1983, says the report, about 8.9m personal computers were shipped and about 3,000 of them were sold with CAD software. In 1984, shipments for CAD/CAM applications could increase to 34,000 as penetration of the PC into the engineering environment gains momentum.

As well as doing some rudimentary design work on his machine, the engineer is also able to use the word processing software to write his reports and can also undertake budgeting, planning and scheduling. More about the report on 01-353 8897.

Energy Solar power

THE U.S. Department of Energy's Pacific Northwest Laboratory has developed a way of improving a material's ability to absorb light energy. This may lead to more efficient solar collectors.

The process involves a well-known treatment called sputtering. This is where high energy particles dislodge atoms from a "seed" material which are then deposited onto a target. The laboratory has adapted the method to produce a material with a textured surface of rod-like protrusions and ridges. This determines how well light is absorbed.

Workers at the laboratory believe that it is a promising technique for solar devices.

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Computers Pyramid's UK subsidiary

Pyramid Technology, set up in 1981 in Mountain View, California, to manufacture and market a mini-computer based on the Unix operating system, has set up a subsidiary to market the machine in the UK. Shipments of the machine, the 96X, began in the U.S. in October of last year. It is a 32-bit computer with virtual memory. More in the UK on 0990 23377.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

ICIs' Board structure

A transformation of character and role

Richard Lambert on the changes forced on the UK chemicals group

ICI ONE of the world's largest and most complex chemical companies is about to enter one of the most crucial periods in its history. Since the trauma of the early 1980s, the group has nationalised its loss-making commodity businesses, strengthened its speciality chemical activities and expanded its base in the important American market. Operating costs have been reduced sharply and the financial position has been much improved.

The board's freedom for manoeuvre was limited in several important ways. "The way in which we organised ourselves tended to mean that each of us looked after bits of the corporation—and the interests of the corporation as a whole sort of fell through the middle," says Harvey-Jones. "We had managed to get ourselves into a frame of mind where each of us believed that if we looked after our bit to the best of our ability, we would automatically be improving the totality of the business—which of course is not true."

Each director usually had three responsibilities, covering a head office function, a product group, and a geographic territory. Directors were held responsible for the profitability of their business empires, and they would represent the interests of these to the board as a whole.



John Harvey-Jones: "... an agent for massive change"

It is not surprising that a first major step was to reduce the size of the board to manageable proportions. In the 1970s, there were a dozen or more executive directors; today, there are eight, including the chairman.

Taking the sting out of redundancy

MANY MANAGERS do not realise that they may miss out on redundancy payments if their company goes into receivership, according to a booklet just published by the British Institute of Management.

Elections

"It actually works out mathematically that if you've got all those layers of management, then you tend to get chairman who run out of time," says Harvey-Jones.

This approach helps to explain some of ICI's investment decisions in the late 1970s. "The operating units were interested in asset growth through green field investment," says Harvey-Jones.

It is someone who manages the board. Harvey-Jones says he sees his prime responsibility "as being the management of the board."

This puts the operating unit executives in a much more exposed position. Back at board level, a number of functional responsibilities, such as planning or engineering, have been discarded.

Advertisement for COMPUTATA HOLDING N.V. featuring 250,000 ordinary shares with warrants, Tulip computer systems, and Pierson, Heldring & Pierson N.V.

Advertisement for Tolley's TAX GUIDE 1984-85, highlighting its plain language and comprehensive coverage of UK taxes.

Advertisement for Crédit Foncier de France, offering a Dfls 125,000,000 Fixed Rate Term Loan, guaranteed by the Republic of France.

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Advertisement for HOME COMPUTERS, proposing a survey on home computers for businessmen.

Advertisement for FINANCIAL TIMES, highlighting its hand delivery service for subscribers in major business centers.

Advertisement for HENDERSON INTERNATIONAL TRUST, detailing the trust's structure and listing its units.

Legal notice from the STATE OF MICHIGAN regarding a declaratory judgment on the ownership of shares of Comerica Incorporated.

APPOINTMENTS

French Kier senior posts

FRENCH KIER HOLDINGS has appointed as directors of its wholly-owned subsidiary company Kier International from September 15: Mr A. Bloomfield, with the group for 19 years, and currently resident in Trinidad will become responsible for contracting in the Caribbean; Mr D. J. Eastwood, in the group for 20 years, and currently resident in the U.S., responsible for contracting interests there; and Mr M. B. Jardine, in the group for 21 years, and currently resident in Hong Kong responsible for contracting interests there.

Mr Ian Wilson, former Standard Motorist Centres' marketing director, has been appointed director and general manager of VREDESTEIN (UK), agricultural and passenger car tyre manufacturer based in Wellingborough.

Mr Robin C. G. Chesterman is to become part-time member of the EASTERN ELECTRICITY BOARD for three years from September 1. He is managing director of Delta (Manganese Bronze), a wholly-owned subsidiary of Delta Group. He is also chairman of the Manpower Services Commission area manpower board for Norfolk and Suffolk and vice-president of the East Anglian Engineering Employers' Association.

BRITISH AEROSPACE DYNAMICS GROUP has appointed Mr David Wilson as managing executive of their existing arrangements for joint collaboration in ships weapon systems management for the overseas market. He was head of warship marketing with British Shipbuilders. Prior to that he was managing director and previously sales director of Vosper Thornycroft UK.

Mr Stanley Parker has retired as chairman of the FENNER power transmission division. He is a member of the holdings board and a director of group associated companies, James Dawson and Son and Fenner Sales and Service. He is succeeded as chairman by Mr Nigel J. Forsyth, who joined the group in 1980. He has spent the past four years as managing director of Fenner India, and joined the holdings board last November.

Mr Tim Furse has been appointed marketing director for the NORWICH BREWERY COMPANY. He was a marketing manager with URM.

Mr Jeff Lacombe has been appointed regional director of the EROS MAILING and merchandising company's Midland operations at Erdington. He was general manager.

CONSTRUCTION CONTRACTS

Over £17m for Balfour Beatty

BALFOUR BEATTY has been awarded two road contracts. The first is a £15m contract from Lothian Regional Council for the Sighthill 4.7 km long dual carriageway section of the Edinburgh city bypass. Fourteen structures are to be built including bridges over a railway and a canal and the work will be completed in 30 months. The second contract, from Tayside Regional Council, is for a new 2.7 km long dual carriageway in Dundee valued at £2.75m.

£16m Taylor Woodrow development

A £16m contract for an office building in Ealing, West London, has been awarded to TAYLOR WOODROW CONSTRUCTION. The work has been placed by Taylor Woodrow Property Co, developers of the site in West Gate, near the Hanger Lane railway station. The contract is due for completion in March 1986, and calls for an eight-storey building with a central atrium and penthouse offices. It will provide 162,500 sq ft of fully air-conditioned office space and parking for 100 cars.

Australia Bank refurbished

KILBY & GAYFORD has a £1.4m contract for refurbishment, including installation of two lifts, at 64, Tokenhouse Yard, London headquarters of the National Australia Bank.

John Mowlem keeps busy

Civil Engineering contracts in the South of England and South Wales together worth £3.6m have been won by JOHN MOWLEM and CO. In Hertfordshire, Mowlem is carrying out the first phase of the £15m Stanstead Abbots by-pass. Following filling-in lakes and former gravel workings, the contract involves construction of about 900 metres of reinforced embankment using materials won from a deep cutting at the eastern end of the scheme. This work requires diversion of the A414 onto a new bridge over the cutting. A trial section of embankment is being constructed and is being fully instrumented to enable the behavior of the underlying highly compressible material to be monitored. Vertical hand drains are being installed by joint venture of Soil Mechanics Foundations, a Mowlem subsidiary, and Bauer (UK). The scheme includes a sewer access portal and six culverts in the length of the embankment. For Hertfordshire County Council, the work is worth £1.6m and the contract is due for completion in July 1985. In Hampshire, Mowlem is undertaking stage 1 of the extension to Romsey sewage treatment works under a £1m contract from the Southern Water Authority. Completion is scheduled for June 1985.

JOHN LAING CONSTRUCTION has won a contract for the British Airports Authority's new Terminal four at Heathrow. Valued at £1.35m it involves fitting out the London Transport station and ticket hall, and includes provision of mechanical and electrical services. Completion is due in June 1985.

Tarmac wins £6m orders

Two projects in Yorkshire head a list of contracts, together worth more than £6m awarded to TARMAC CONSTRUCTION. In South Yorkshire work on bar processing facilities at the British Steel Corporation's Rotherwood plant, at Rotherham, is valued at £1m, and in North Yorkshire a distribution depot for the Kwik Save Discount Group, at Sherburn-in-Elmet, is also valued at £1m. Other contracts include improvements to 74 homes at Hednesford and Norton Canes, Staffordshire, for Cannock Chase District Council (£888,000), and replacing a factory roof at Southampton, for BAT (UK and Export) (£227,000). A number of contracts have also been awarded to Tarmac Cubitts - part of Tarmac Construction. They include extensions and alterations at Kingsly Hospital, Bideford, Devon, for the South-West Regional Health Authority (£923,000); industrial units at Newport, Gwent, for the Welsh Development Authority (£638,000); external repairs and painting 320 homes at Huyton, Merseyside, for Knowsley Metropolitan Borough Council (£620,000); and work on floors and roof at Halewood, Merseyside, for the Ford Motor Company (£545,000). Tarmac Refurb, has contracts for alterations to the out-patient department at Birmingham Skin Hospital, for the West Birmingham Health Authority (£245,000), and fitting out premises at the Yorkshire Bank, Redditch (£200,000).

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Shepherd wins £11m

SHEPHERD CONSTRUCTION has won contracts nationwide worth a total of over £11m. Phase Two of the British Broadcasting Corporation regional headquarters in Newcastle upon Tyne, with contract value approaching £3.4m is scheduled for completion in October 1985. There are two store refurbishment contracts for British Home Stores. One in Frederick Street, Edinburgh, is worth over £2m, with completion programmed for October. British Home Stores' Basinghall Street, Leeds store is being refurbished under a contract approaching £1m. Completion is again scheduled for October.

In Hemel Hempstead a contract worth over £2.5m for a mechanical sorting office and associated buildings for the Post Office will be completed in September 1985. A £1.4m contract to extend and alter existing school buildings at Ashby Road School, Daventry, has been awarded by Northamptonshire County Council. Contract completion date is March 1986. Refurbishment of public areas in the Quay House office block, in Manchester, will be carried out for Municipal Mutual Insurance.

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With a long history in planting, Anhui is one of the main provinces in China which produce crude peppermint oil. In recent years, large quantities of high-grade crude peppermint oil is available for purification. Fine in quality, our "Polar Bear" Brand Menthol Crystal and Peppermint Oil (Demethylized) are in great demand in the world market.

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Spearmint Oil

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THE ARTS

Turandot/Covent Garden

Max Loppert

The Royal Opera season opens with the new production of Turandot (sponsored by Norwest Holst) that the company first showed at the Los Angeles Olympic Arts Festival last July.



Gwyneth Jones and Plácido Domingo

Turandot is the Puccini opera above all others to sharpen both admiration for and misgivings about its composer. In it, even in the incomplete state in which we know it, his theatrical art reaches their highest point of sophistication, brilliantly judged calculation, and beautiful orchestral and vocal combination. In it, too, at the core of its exotic plumage and fabulous structure there is found the Puccini ideal of woman, here taken to its repellent conclusion in the shape of the "little woman" who wants nothing more than to be under torture for a man's unrequited love.

Plácido Domingo's vocal performance made up the rest. The text used of the ending is the familiar "shortened" version of the original Turandot completion. Gwyneth Jones in the title role is at her best. This is not to say vocally unsurpassable; notes emerge hugely powerful but often unsteady, and very seldom joined into a line.

Oberto/Radio 3

Andrew Clements

Saturday afternoons on Radio 3 this coming autumn and winter are to be devoted to Verdi. All the operas are to be broadcast in chronological order; when a work exists in two versions the original will be heard on Saturday and its reworking during the following week.

Oberto is a rather silly plot and short-winded text. Set in the year 1228 (the libretto is quite specific) at the Castle of Ezellino da Romano, it's a tale of male duplicity and the defence of a maiden's honour which ends in the melodramatic death of Oberto, the Count who has newly returned from exile, and the despair of his wronged daughter Leonora.

Architecture

Colln Amery

Insensitive progress

It is doubtful if many people have heard of the Reverend Henry Moulde of Fordington in Dorset. He lived from 1801 to 1880 and is best described as a radical parson and an inventor.

The scene encapsulates the history of a place that has grown slowly, been improved by the single-minded efforts of a remarkable Victorian vicar and has now been recognised by the Dorset County Council as a part of the Dorchester Conservation Area of Outstanding Architectural and Historical Importance.

Local residents think that the Institute—all red brick, verandahs, coloured glass, and finial tiles—could be converted into homes or, better still, be used to house the Thomas Hardy Society with all their memorabilia and papers.

At the Building Centre, Store Street, London, W.C1, until September 7 there is an important architectural exhibition called Classical Survival.

At the Building Centre, Store Street, London, W.C1, until September 7 there is an important architectural exhibition called Classical Survival. Unfortunately it opened bang in the middle of the holiday season and so not enough people have seen the work of both the older practitioners of the classical tradition in the 20th century in England and some of the younger ones.

The Playboy of the Western World/Riverside Studios

Michael Coveney

"One must have reality and one must have joy," wrote J. M. Synge of the modern drama in his 1907 Preface to this entrancing play, and Lindsay Anderson's revival—the most spectacular justification so far for the United British Artists project—has just arrived in London from the Edinburgh Festival delivers on both counts.

When the National Theatre attempted the play some years ago, the Synge song hit lots of wrong notes, ended up sounding quaint. Here, the beauty and rhythm of the language is fully honoured.

With a gash on his pate but in the figure of Robert Keegan (much valenced since I saw him last) a determined and credible reason for Christy having picked up the loy: he had done so in reaction to the suggestion he should marry the old Widow Casey who suckled him.

What the arrival of Christy does is to inject a sense of possibility into an enclosed community. Anderson's direction, as good as anything he has done on stage for some years, releases so much that is tacit and rich in the play.

He opens the second act polishing boots and declaring that, yes, a place to spend a life might be here. Frank Grimes's subsequent success on the strand in September 7 there is an important architectural exhibition called Classical Survival.

We have reality in the sense that we care about the characters in the remote Mayo shebeen, believe in their several emotional predicaments; and we have joy in the tactual execution of the farce surrounding the sudden local hero, Christy Mahon, who has laid his da law with a loy and fnds fame as a glamorous murderer.

The supposed patricide is all the more powerful because of the resonance Anderson's cast find in the parental links (one is forcibly reminded, in fact, of the best Anderson/David Storey Royal Court productions): Roy G. Mahon turns out not to be a ridiculous cadger

Christy has, in fact, leapt from one frying pan into another, and he still finds a widow crackling away. The difference in this village is that Nicholas McAuliffe's Quin is a young voluptuary who buried her children and destroyed her man, not the usual comical hag.

Christy is also an agent of the pooten and settling down with her second cousin Shawn Keogh (Kevin Lloyd) will not suffice.

Christy is also an agent of the pooten and settling down with her second cousin Shawn Keogh (Kevin Lloyd) will not suffice.

Scenes from Faust/Edinburgh Festival

Michael Coveney

Expressing disappointment last week with the Berliner Ensemble's cool and monochrome Galileo I somewhat patronisingly opined that some reparation might be made with Faust. The news is better than that. The drama programme of the 1984 Edinburgh Festival will feature in a final bite of glory in the King's Theatre on Friday night with Horst Sagert's unforgettable production, a veritable medieval phantasmagoria, of Goethe's Faust, that is Part One of the great dramatic poem based on the Götterdämmerung with the usual additions of Valentin's murder and the Walpurgis Night.

The translation system was inoperable until half way through the four-hour spectacle which gave even non-German speakers a taste of a golden opportunity to savour the beauty, variety and lyricism of the language. It also gave others a chance to stomp about in a Philistine rage. An extended Prologue, which included other Goethe fragments of Prometheus and Pandora (Faust's daughter, doubled by the stunning Corinna Harfouch with Margarete of the play proper), was difficult to follow but not to sit.

The music throughout, arranged by Reiner Bredemeyer and conducted by Christoph von Dohnányi, Mozart, Satie and lives, seems to me a work of genius. The same goes for the lighting, which is harsh and metallic for the crude horse-play of the Leipzig cellar (with a few Black Theatre luminous tricks thrown in), carelessly voluptuous for the romantic scenes, and magically evocative for such epic set pieces as the funeral in the cathedral and the flight through the countryside.

The interest which naturally attached to Fridley's recital by the "Mr Berman" was compounded by deep confusion about what he was playing. The programme-sheet promised the three "Venezia e Napoli" pieces from Liszt's Années de pèlerinage, and next Mussorgsky's Pictures at an Exhibition (under which title were listed none of the actual Pictures, but several earlier Mussorgsky pieces instead, including an unknown "Stork on the Black Sea").

much more imaginative in the gentle ones. There were poignant infections in the "Vecchio Castello" serenade, a subtle sketch (no caricature) of the "Two Jews", and charmingly tender evocations of the children in the "Tulleries" and the "Unhatched Chick's" Ballet.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

PARIS

Jean-Louis Haguenauer piano; Prokofiev, Debussy, Monod (Tue, 1.15pm); Serbinos, Metz (Wed, 8pm); Theodor, Wieland (Thu, 8pm); Theodor, Wieland (Fri, 8pm); F. Comper (Wed, 8pm); Musée Carnavalet, 23 Rue des Saussaies, Metro Saint-Paul.

CHICAGO

Ravinia Festival: St Paul Chamber Orchestra Pinchas Zukerman conductor and violin, Michala Petri recorder. Handel, Sammartini, Vivaldi. Booth (Thu), Highland Park (Tue)

LONDON

London Symphony Orchestra and Chorus conducted by Richard Hickox with soloists including Felicity Palmer, Felicity Lott and John Shirley-Quirk. John Tavener and Wolfgang Williams. Royal Albert Hall (Mon), (5899465).

WEST GERMANY

Berlin, Philharmonie: Boston Symphony Orchestra, conducted by Seiji Ozawa, with soloist Yo-Yo Ma, Brahms and Strauss (Wed, Thur).

TOKYO

Sessata Scott soprano: Recital accompanied by Thomas Fulton, Kamikoto Hall (Thu), (3314461).

VIENNA

Vienna Hofburg Orchestra conducted by Gerold Hoffner. Johannes Brahms and Opereita at the Hilton Hotel (Tue).

The Party/The Other Place, Stratford-upon-Avon

Martin Hoyle

The National Theatre's 1973 production of Trevor Griffiths' play boasted a high-powered cast and marked the last new role played by Olivier on stage.

This interimable, broken-backed and slow-paced decline is a sad come-down. Few actors are as watchable as David Threlfall, who even holds his own in a duo with a (live) guinea pig, though intelligently uncomfortable in glimpses of possible melodrama.

impotence, for political tunnel vision, is presided over by Joe, a leftish TV director, with an eye to the main chance. His well-appointed flat (the original version specifies stockpiles on the wall) witnesses a gathering of radicals of varying degrees of chic, opportunism and commitment.

padding degenerates into cliché (working class boyhood recalled; Dad's bitterness at redundancy; early sexual experiment); "I know all this, Malc," yelps Joe; so do we all. After an absorbing first half,

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ONE of these fine days we are going to learn, after many months of uncertainty...

The terms and the extent of that debate are, of course, largely hidden. But the hesitation suggests that there is serious controversy...

There is no basis for the accusations. In general, the Christian Democrat government of Chancellor Helmut Kohl is continuing, despite some criticism...

It is true that West Germany has offered East Berlin substantial financial inducements to secure the release of would-be emigrants from East Germany...

It is also true that it must be admitted that, after they had expended so much effort on a propaganda campaign against the basing of American cruise and Pershing II missiles in Europe...

Perhaps the most plausible explanation for the hesitation, the hyperbole and the hysteria is that the Russians have not yet worked out a credible policy...



Mr Chernenko and President Reagan: a question of attitudes

Foreign Affairs

European dilemma for Chernenko

By Ian Davidson

For East-West relations running through the central axis Moscow-Europe-Washington, at a time when Western Europe is singing a song significantly different from that orchestrated in Washington by the Reagan administration...

During the hey-day of détente, from 1970 until the conclusion of the first European Security Conference at Helsinki in 1975, western Europe and the United States were pretty much marching in step...

The violence of that reaction could be explained either as a delayed search for a scape-goat after the dramatic debacle in Vietnam; or it can be explained as a more or less rational response to the perception that the Soviet Union's misinterpretation of military build-up during the 1970s...

Perhaps the most plausible explanation for the hesitation, the hyperbole and the hysteria is that the Russians have not yet worked out a credible policy...

the White House four years ago, and it looks like keeping him there for another four years. Evidently, the Russians have not worked out how to handle this dominant factor in the East-West equation...

It is all very well to stir up the anti-nuclear movement in western Europe, in the hope that democratic governments could be dissuaded from going ahead with the Euro-missile deployment...

missiles in East Germany and Czechoslovakia, stimulates a degree of dissent from governments which are supposed to be 100 per cent subservient on such foreign policy issues to the Soviet Union.

It is all very well to accuse President Reagan of being a warmonger; it is much less satisfactory for the Russians to be compelled to carry out their previous threats to walk out of the nuclear arms control negotiations in Geneva...

The Americans say they are ready to return to either or both of the Geneva nuclear weapons talks, on Euro-missiles and strategic nuclear arms. Of course, business schools have their weaknesses, as do other educational institutions...

Lombard

'Scabs' of the world unite

By Samuel Brittan

that any meeting on the issue now seems likely to be postponed, if not cancelled entirely. Reagan's critics in the American election campaign can justly complain that in four years he has achieved nothing in the field of arms control...

Perhaps that is what the Russians all have ever believed; it's just that, during the brief flowering of détente, some of us in the west did not understand. In any case, it is hard for the Russians to gain from a prolonged U.S.-Soviet winter of western European governments...

THE WORD "scab" has a medical meaning, on which the less said the better. This leads to another metaphorical sense: "mean, dirty fellow." My dictionary tells me that this sense is archaic. What is not archaic is the current metaphor, meaning "workman who refuses to join strike or union..."

others to denigrate him, and he will be lucky if the opposition is confined to words. That is all the more reason why those people who want to price themselves into work need to unite for their own defence.

The opposition of union leaders to undercutting is hardly surprising. Unions represent the interests of those who are secretly at work, not those who might work if pay were rising less quickly...

It may be that the influence of union-speak on the media is so strong that we are stuck with the word "scab." In that case a new slogan should be: "Scabs of the world unite, you have nothing to lose but your dole queues..."

On the contrary, it deserves a medal, even if one's only considerations are traditional progressive goals such as full employment and if one is just as sensitive as anyone in Brighton to genuine distributional issues.

Decommissioning reactors

From Dr von Koch. Sir—I think there are good reasons for saying that the technical procedures for decommissioning and the related costs are not a matter of extreme uncertainty...

There is really no difference between decommissioning work and maintenance work on operating plants with respect to the application of remote-controlled equipment and the automation procedures which have been developed in recent years...

Estimating the costs of decommissioning as a percentage of the erection costs could be misleading, since the erection costs have escalated due to the extremely high demands for safety installations...

From the Sales Manager. Sir—I was most interested in Mr Taylor's article of August 22 concerning People Express. I feel honour bound however, to let you know that Britain may at one time have been considered a "user" but is now most definitely not so...

Letters to the Editor

domestic service—including economic fares eligible to residents in the UK and Europe. As a result of the new structure of the company in Europe and the good response of both public and trade we are poised to break the £1m mark in terms of revenue on a monthly basis.

Licensing coal mining. Sir—In the feature "Time to stop cosseting coal," by Samuel Brittan, a plea is made for a freeing of the open-cast coal industry. I believe that the anachronism alluded to should have been developed further.

Acceptance of MBAs. Sir—The article by Michael Dixon on the survey of MBA graduates (August 22) is no doubt right in saying that some British employers are sceptical regarding this degree. But I feel its overall impression to the reader can be misleading.

Chaos at Bank Holidays. Sir—Bank Holidays are deplorable national holidays and chaotic results on the country's road network, not to mention the crowding at airports and on ferries.

well for its future. Surely they are in a particularly favourable position to assess the relative merits of management recruits from many different sources and to judge value for money.

The Royal Dockyards. From Mr J. Brazier. Sir—Mr J. Mallabar calls (August 28) for the introduction of a trading fund to the Royal Dockyards. His report in 1971 represented the first serious public analysis of the dockyards' difficulties in the dockyards.

My experience with British demand for MBAs began in the United States during the 1960s. As a faculty member with the Wharton School of Finance I was asked by a British business firm to put it in contact with some of the British MBA students there, with a view to arranging job interviews.

In practice it is efficient procedures and a clear chain of command which are crucial for cost effectiveness, not the uniform, or otherwise, of the dockyard head. Sir John is right to call for a change in structure but it is essential that any change meets the operational needs of the Navy, as well as achieving greater cost-effectiveness in peacetime.

Before you take off on business, make sure you've got everything. Make sure you've got express check-in, a luggage allowance of 30 kilos and special lounge facilities. Make sure you've got a seat where you want to sit. (Upstairs if you don't smoke, downstairs if you do.) And while you're selecting your seat, make sure you've got the widest Business Class seat in the air. Make sure it's got a generous recline and you've got the comfort of extra leg room. Make sure you've got a choice of menus, and that the food is served on elegant china with fine cutlery and table linen. Make sure you've got French wine and champagne from Moët and Chandon. (Don't forget the cheese board and fruit basket.) Make sure you've got a comprehensive selection of business reading material. Make sure you've got an electronic headset and a pair of comfort socks. Make sure you've got someone to fuss over you. (Only an airline with one cabin attendant for every ten passengers can make sure you've got that.) And make sure you've got an airline whose route network can take you to 40 different destinations across four continents. In short, before you take off on business, make sure you've got a ticket flying Royal Executive Class on Thai. And you'll know you've got everything.

Hull has the answer... Development Area... Hull City Council

FINANCIAL TIMES

Monday September 3 1984

Tarmac Construction. Construction at its best. 0902 22431

Michael Morgan on Wall Street. Railways back on right track

STOCKS of principal U.S. railway companies, which also have substantial holdings in the resource sector, have found themselves back on the right track over the past month. In July, the stocks were in the doldrums, near 52-week lows.

Table with 3 columns: Stock, Price \$, and % rise. Includes Burlington N., Santa Fe, and Union Pacific.

of the country are not unionised. A lengthy dispute that forced customers to turn to supplies from the West might be beneficial.

All three companies share the same mix of operations with rail, energy, land and mineral interests. For Burlington, the railway is still the dominant earner, although with its acquisition of the El Paso company last year, a larger share will now come from gas pipeline operations.

Santa Fe and Southern Pacific are separately operated but, with regulatory approval, should merge within two years. That would produce savings, according to the chairman, of \$220m a year.

Improved efficiency has been one key to success for Burlington Northern in recent years and it has also helped Santa Fe. Union Pacific, conversely, has long been seen as a relatively inefficient operation.

Cloudy picture in crystal ball, Page 14; Wall St prices, Pages 16-17

MONDALE TRIES TO CLOSE GAP AS CAMPAIGN OPENS IN EARNEST

Reagan holds wide lead in polls

THE 1984 U.S. presidential election campaign officially opens today, the Labor Day holiday, with the two candidates travelling to opposite ends of the country to fire the opening shots from among the ranks of their staunchest supporters. President Ronald Reagan has chosen to mark the battle's opening at a rally in prosperous Orange County, in Southern California.

Britain and China set to agree Hong Kong terms this month

BRITAIN moved nearer to agreement with China at the weekend on the terms under which it will relinquish colonial control of Hong Kong in 1997, as intensive negotiations continued on outstanding differences. The agreement, to be referred to as a "joint declaration," is now at most certain to be initiated in Peking in the last week of this month.

UK resists Mexico debt change

THE UK Government has told British bankers that it will not reschedule Britain's official loans to Mexico just yet, despite the banks' own agreement to grant it more generous repayment terms. The news, conveyed at a private meeting at the Bank of England last week, has annoyed bankers who feel that the Government should help too.

Danish computer group files for bankruptcy

CHRISTIAN ROVSING, Denmark's largest computer manufacturer, has filed for bankruptcy after losing Dkr 100m (\$9.5m) in the first half of 1984. The loss followed one of Dkr 71m in 1983 as a whole, when turnover increased by 50 per cent to Dkr 621m.

World Weather

Table with 4 columns: Country, Temp, Wind, and other weather data. Includes Amsterdam, London, New York, etc.

THE LEX COLUMN. A balancing act in Tokyo

According to the textbook world of international trade - an ideal world where all trade flows cancel each other out - it is impossible for anybody to run a deficit without some other having the pleasure of a compensating surplus. Despite all the complications of reality, it is tempting to see this trivial model behind the growing flow of capital from Japan to the trade-deficit countries.

As the change is carried through it might radically alter the standard Japanese view of company performance. This has focused historical registers financial reporting in Japan has gradually been coming into line with international practice. Although this convergence is far from complete, one major discrepancy is on the way out.

Washington defends new curbs on textiles

REAGAN Administration officials, preparing for late in Geneva, import rules that have aroused protest, say they have acted with restraint against what they describe as a flood of illegal imports. Domestic textile producers have been urging an import freeze at the 1983 level as well as an import licensing system.

British unions set to back striking miners

The union claimed yesterday that 9,500 of the 13,500 registered dock workers in Britain were on strike, with 24 ports closed. However, Mr John Connolly, the union's national dock secretary, said he was "not satisfied" with the strike at the moment.

Chwyd - a better business decision. Advertisement for Chwyd optical fibers, including contact information for Wayne Morgan.

SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES
Monday September 3 1984



Hillier Parker PROPERTY ADVISERS
London (W1 & City), Edinburgh, Belgium, France, Holland, Germany, Italy, Australia and Landauer Assoc. Inc.-U.S.A.

Mexico hopeful of finalising debt pact by Thursday

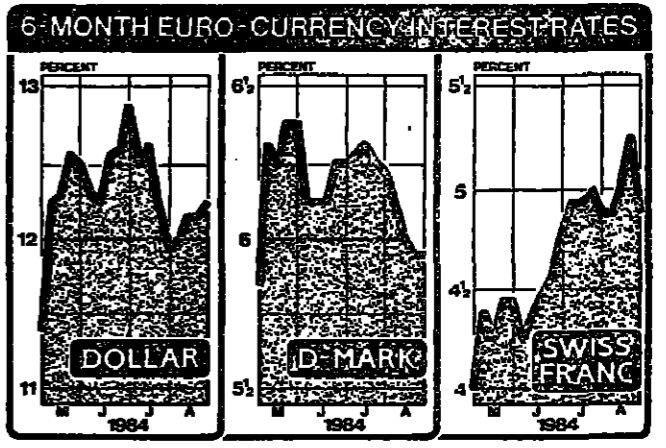
BY MARGARET HUGHES IN LONDON
SR Jose Antonio Gurría, Mexico's chief debt negotiator, and his team return to New York this week for further talks with their 13-member advisory group.
By Thursday they hope to have finalised details of the \$48.6bn multi-year rescheduling accord tentatively agreed a week ago, so that the whole package can be presented to Mexico's 580 creditor banks.
Their endorsement is by no means certain, given that some are reluctant to stretch their commitment to Mexico still further. But the bank advisory group is optimistic that it can persuade them to go along with the deal, because it offers Mexico a realistic schedule for repaying its foreign debt.
Banks are anxious to conclude the package ahead of the Latin American debtors' next economic summit due to be held in Mar del Plata in Argentina in two weeks' time. A successful Mexican package would be a visible demonstration to other countries that the positive approach towards restructuring their economies pays off in easier rescheduling terms.
Some key aspects of the Mexican package have still to be resolved, in particular the mechanism for monitoring economic performance once rescheduling moves into a period where there is no IMF agreement.
One issue which earlier threatened the negotiations was the banks' desire to see governments practise what they preach and renegotiate official debt in tandem. Government, however, have told banks firmly that they would not be doing so. The main argument against is that a condition of a Paris Club renegotiation would be suspension of export credit insurance to the debtor country.
Banks, albeit reluctantly, have agreed to the Mexican package without getting this commitment but made it clear that they would not be so accommodating when it comes to countries such as Brazil which are next in line to reopen debt rescheduling negotiations.

INTERNATIONAL BONDS
Dawn breaks after U.S. ruling

BY MAGGIE URRY IN LONDON
DAWN is breaking at last and hearts are lifting in the Eurobond market. Today's Labor Day holiday in New York, which marks the end of the summer, should also signal the beginning of a Euromarket where U.S. corporate borrowers can sell, and Swiss investors fearlessly buy, bonds.
The U.S. Treasury finally explained its new rules for direct issues of bearer bonds to non-U.S. investors to the satisfaction - more or less - of both sides. "There are a few little niggly things left," one new-issue manager said, but most are now actively working on bids for deals and this week should see U.S. corporates launching good old fixed-rate Eurodollar bonds again.
They might even be happily absorbed if the cheerful tone of last week continues. All last week's deals had some measure of success, with a quite ordinary deal from Nippon Kokan ending the week trading at a 1/4 per cent discount, well inside its 1 1/2 per cent selling concession. Dealers say they would love to see some of the posh names in the market, and although that is the sort of

BHF Bank bond average
August 31
99.995 High 1984
100.000 Low 99.955

Where it leads, no doubt other banks will follow.
The proceeds will be swapped using the not-so-new Morgan Stanley formula. The longer, five-year life for the warrants proved popular and rapidly jumped from a \$22 issue price to be bid at \$27. The bond traded well too, comfortably inside its 1 1/2 per cent selling concession.
Goldman Sachs brought the AAA-rated name of American International (AIG), the insurance company, to the market with a 20-year, zero-coupon issue. The maturity date is August 15 2004, which coincides with the redemption of the 20-year U.S. Treasury bond. Dealers reckoned that, if it were so minded, AIG could use the \$86m proceeds to buy stripped Treasuries and pick up at least half a point of yield in the process.
Morgan Guaranty had a first in the shape of a direct issue from a British company, Hawker Siddeley, Britain's Inland Revenue managed to write in a few lines of this year's Finance Act what it took the U.S.



standard 1 1/2 per cent. Once that was done, the deal traded around its 1/4 per cent selling concession.
D-Mark Eurobonds had some catching up to do on the domestic bond market, where yields had dipped to show a 15 basis point or so deficit. Eurobond prices gained a point or more in more active turnover than has been seen for some time. The rally gathered pace as the week progressed.
The Swiss markets have not had the benefit of the falling interest rates seen elsewhere, and turnover has continued quiet. At least bond prices are not falling, but they are making little progress.
The Hong Kong Mass Transit Railway will tomorrow launch the first floating-rate note issue to be sold by competitive tender. The issue will raise HK\$500m.
Lead managers Morgan Guaranty (Hong Kong) and Manufacturers Hanover Asia will invite institutions to bid for the eight-year notes, which will pay interest at 1/4 per cent above three-month Hong Kong interbank offered rate.
A minimum tender price of 99 1/4 has been set, at which level the issue is fully underwritten by the lead managers and their 19 co-managers. Bids, for a minimum of HK\$1m, must be in by next Friday and they will be ranked the following Monday, September 10.

NEW INTERNATIONAL BOND ISSUES
Table with columns: Borrowers, Amount, Maturity, Av. life years, Coupon %, Price, Lead Manager, Offer yield %.

U.S. \$100,000,000
The Coca-Cola Export Corporation
12 3/4% Notes Due August 1, 1989
Unconditionally Guaranteed us to Payment of Principal and Interest by
The Coca-Cola Company
List of participating banks: MORGAN GUARANTY LTD, CREDIT SUISSE FIRST BOSTON LIMITED, DEUTSCHE BANK AKTIENGESELLSCHAFT, SWISS BANK CORPORATION INTERNATIONAL LIMITED, UNION BANK OF SWITZERLAND (SECURITIES) LIMITED, AMRO INTERNATIONAL LIMITED, BARING BROTHERS & CO., LIMITED, COMMERZBANK AKTIENGESELLSCHAFT, CRÉDIT COMMERCIAL DE FRANCE, NOMURA INTERNATIONAL LIMITED, SOCIÉTÉ GÉNÉRALE DE BANQUE S.A.

This announcement appears as a matter of record only.
Canadian \$50,000,000
New Issue
THE CITY OF Edmonton (Province of Alberta, Canada)
13 1/4% Debentures due August 30, 1989, Series GB
Issue Price 100%
Wood Gundy Inc.
List of participating banks: Amro International Limited, CIBC Limited, Commerzbank Aktiengesellschaft, Credit Suisse First Boston Limited, Dominion Securities Pitfield Limited, Salomon Brothers International Limited, J. Henry Schroder Wagg & Co. Limited, Société Générale, Société Générale de Banque S.A., Swiss Bank Corporation International Limited, Union Bank of Switzerland (Securities) Limited, Yamaichi International (Europe) Limited, Bank Gutzwiller, Kurz, Bungener (Overseas) Limited, Bankhaus Hermann Lampe Kommanditgesellschaft, Bank Leu International Ltd., Banque Générale du Luxembourg S.A., Banque Internationale à Luxembourg Société Anonyme, Banque Paribas Belgique S.A., Banque Worms, Bayerische Landesbank Girozentrale, Bayerische Vereinsbank Aktiengesellschaft, Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft, Berliner Bank Aktiengesellschaft, Chase Manhattan Capital Markets Group Chase Manhattan Limited, Crédit du Nord, Dai-ichi Kangyo International Limited, Daiwa Europe Limited, Dresdner Bank Aktiengesellschaft, Effectenbank-Warburg Aktiengesellschaft, First Chicago Limited, Fuji International Finance Limited, Lloyds Bank International Limited, Midland Doherty Limited, Mitsubishi Finance International Limited, Morgan Grenfell & Co. Limited, Morgan Guaranty Ltd, Nesbitt, Thomson Limited, The Nikko Securities Co., (Europe) Ltd, Nomura International Limited, Sal Oppenheim jr. & Cie, Orion Royal Bank Limited, Pierson, Holding & Pierson N.V., Rea Brothers Plc, Schoeller & Co. Bankaktiengesellschaft, Société Séquanaise de Banque, Standard Chartered Merchant Bank, Sumitomo Trust International Limited, Toronto-Dominion International Limited, Vereins- und Westbank Aktiengesellschaft, S.G. Warburg & Co. Ltd, Westdeutsche Genossenschafts-Zentralbank e.G., Westdeutsche Landesbank Girozentrale, Westfalenbank Aktiengesellschaft, Yasuda Trust Europe Limited.
August 1984

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

U.S. BONDS

Wall Street dislikes what it sees in the crystal ball

U.S. BOND PRICES drifted uneasily lower last week in quiet trading ahead of the extended Labor Day holiday weekend and a general reassessment of market mood.

The sharpest price declines came at the start of a week laden with new Treasury issues and followed the release of the July Federal Open Market Committee (FOMC) report late the previous Friday.

By the close on Friday the new 12.5 per cent Treasury long bond, which had traded below the 100 price level for most of the week, had staged a slight recovery.

U.S. INTEREST RATES (%) Week to Week to Aug 21 Aug 24 Aug 27 Aug 30

not outright bearish, is certainly clouded with uncertainties and, in a wide range of issues, not desperately rosy.

Business borrowing, while showing some signs of topping out, remains strong enough to raise fears of a rebound later this year.

Business credit demands soared in the first five months of this year, increasing by around \$15.5bn. Since the start of June business loans at the major banks have increased by a further \$3.5bn though the latest figures do suggest some slowing.

Similarly the second consecutive decline in the leading economic indicators, which fell by 0.8 per cent in July, helped reaffirm the markets' hopes of a slowdown in the pace of economic expansion and a Fed-engineered soft landing.

But senior economists are already warning of a potential rebound in the pre-Christmas period as consumer spending picks up again.

While there has been an undoubted sharp shift in inflationary expectations—the latest AG Becker Paribas "decision makers poll" shows 10-year inflation expectations dropped to their lowest level last month since the poll was started in 1978—economists and, apparently, the FOMC still have their doubts.

FCA to raise \$3bn by mortgage portfolio sales

BY WILLIAM HALL IN NEW YORK

THE NEW MANAGEMENT OF Financial Corporation of America (FCA), the parent of the biggest U.S. savings and loan group, has acted swiftly to ease short-term liquidity pressures by announcing plans to raise \$3bn through the sale of part of its mortgage loan portfolio in return for cash or marketable securities.

In another move to bolster confidence in the troubled company, which last month was forced to restate its earnings to show a \$107.5m second-quarter loss, FCA announced that it was to pay an unchanged quarterly dividend on its common stock.

FCA will get the \$3bn as soon as it delivers the mortgages. The Federal Home Loan Mortgage Corporation (Freddie Mac), owned by the U.S. savings and loan industry, has negotiated a \$2bn swap in exchange for Freddie Mac participation certificates (PC).

latest swap was not a bail out of FCA. However, while the swap transactions are being processed, Freddie Mac has taken the unusual step of agreeing to provide cash to FCA under a "Repo". This is an agreement to sell an asset to a purchaser with a similar agreement to buy back the same asset.

Even more teeth for the MAS

BY CHRIS SHERWELL IN SINGAPORE

THE SINGAPORE Government has introduced another piece of legislation—the third this year—to further enhance the already formidable powers of the Monetary Authority of Singapore (MAS).

The latest bill, which is certain to be passed by parliament, affects finance companies. It allows the MAS to assume control of a company in the event of a possible insolvency, lets it control finance company takeovers and limits the volume, and the number of large credits, a finance company can lend.

extending its reach to credit card companies and dealers in financial futures. More significantly, it allows the MAS to act as banker to the many government-controlled corporations (MASCOs) that dominate Singapore's economy.

Bankers have expressed concern about the possible impact of this change but the government has argued that all the changes are long overdue.

Mr Paul F. Renne, treasurer of H. J. Heinz, has been named treasurer of H. J. HEINZ COMPANY, following service

Emergency loan for Eddie Steamship

BY JIM JONES IN JOHANNESBURG

SAFMARINE, South Africa's national shipping line, and Rennie's, the forwarding, hotels, and industrial group, are to merge as equals.

The main objects of the merger are the creation of a comprehensive travel and tourist organisation and the optimum utilisation of existing capital assets, thereby facilitating further growth in the shipping and leisure sectors.

Operating profits from shipping, before interest, tax and depreciation rose to R104.4m from R18.9m. Earnings per share rose to 73 cents from 48 cents and the total dividend has been increased to 35 cents.

Initially the merger will focus on putting together Freight Services and Shipping. Freight Services is a forwarding company owned equally by Safmarine and Anglo American Industrial Corporation, while Shipping is a group of shipping services companies in which Rennie has majority ownership.

Safmarine to merge with Rennie's

BY JIM JONES IN JOHANNESBURG

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Chairman designate at Aetna Life

By Paul Taylor in New York

AETNA LIFE AND CASUALTY, the biggest U.S. full-time insurance group, has named Mr James Lynn as Aetna director and lawyer with extensive Federal Government experience, to be the insurance group's vice-chairman, and said it plans to name him chairman later this year.

been chairman and chief executive since 1972 and who will be aged 60 this week, said he had been planning to step aside for "a number of years". Mr Lynn, aged 57, has been an Aetna director since 1978 and is currently the Washington managing partner of the Jones, Day, Reavis & Pogue law firm.

and casualty business, been struggling to maintain earnings against a net loss of \$58.5m in the latest quarter.

INTERNATIONAL APPOINTMENTS

Mr Paul F. Renne, treasurer of H. J. Heinz, has been named treasurer of H. J. HEINZ COMPANY, following service

vice president-finance of H. J. Reader's Digest Association. He joined the company in August 1981 as manager of new business development.

Mr Bert Bayley has been appointed a director of AUSTRALIAN NATIONAL INDUSTRIES, a subsidiary of The Reader's Digest Association. He joined the company in August 1981 as manager of new business development.

Lloyds Eurofinance N.V. Up to £200,000,000 Guaranteed Floating Rate Notes due 1996. Lloyds Bank Plc (Incorporated in England with limited liability) Lloyds Bank International Limited

FT INTERNATIONAL BOND SERVICE Table with columns: U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, EUROBOND TURNOVER, FLOATING RATE NOTES, CONVERTIBLE BONDS, and various bond details including issuer, maturity, and price.

Harvey Goldsmith set to trade on stock market

BY STEFAN WAGSTYL

DEPRESSARIO Mr Harvey Goldsmith is to become the first British rock and pop music promoter to appear on the stock market.

BOARD MEETINGS table with columns for company name, date, and other details.

Mr Goldsmith, who has made his name and his fortune arranging concert tours for superstars such as Bob Dylan and the Rolling Stones, is reorganising his business interests.

Olivetti takes 31% stake in TABS

Olivetti has taken a 31 per cent stake in British computer software and distributor TABS. Olivetti, Italian office equipment and information processing company, paid about £1m for the stake in TABS.

First half profit shortfall seen at Alexander Russell

A PROFITS shortfall for the current six months trading is on the cards for Alexander Russell, but this can be made up by the year end providing the miners' strike does not go on too long into the winter.

EQUITIES table showing stock prices, changes, and various indicators.

FIXED INTEREST STOCKS table showing interest-bearing securities.

"RIGHTS" OFFERS table detailing company rights and offers.

Announcement dates usually last day for dealing free of stamp duty.

PENDING DIVIDENDS table listing companies with pending dividends.

SHARE STAKES table detailing ownership percentages in various companies.

COMPANY NEWS IN BRIEF

Elys (Wimbledon), the department store operator, has maintained its turnover at £3.7m, against £3.5m in the half year ended July 25 1984.

E. W. Tarry loss reduced at midterm

Trading losses were reduced from £519,000 to £294,000 in the first half of 1984 at E. W. Tarry and after a post-profit.

Jantar £36,000 in the red

The absence of profits from Jantar's Nigerian company, reduced profits from investments in England, and a book loss of £70,186 from a futures contract have resulted in an overall taxable loss of £35,776.

Granville & Co. Limited advertisement including company details and financial data.

Today's Rate 1 1/4% 3i Term Deposits advertisement.

LADBROKE INDEX table showing index values for various sectors.

Stone International Limited Results for year ended 31st May 1984.

Pargesa Holding SA advertisement with company logo and details.

Annual Ordinary Shareholders' Meeting advertisement for Banque Paribas (Suisse) S.A.

To consider following items: 1. Report of the Board of Directors and presentation of the Financial Statements for the fiscal year ended June 30, 1984.

FINANCIAL TIMES STOCK INDICES table showing various market indices.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

16
Closing prices, August 31

Stock	Price	Stock	Price	Stock	Price	Stock	Price
AA	10.00	AMC	15.00	AMT	12.00	AMX	18.00
AAE	11.00	AME	16.00	AMT	13.00	AMX	19.00
AAH	12.00	AMG	17.00	AMT	14.00	AMX	20.00
AAI	13.00	AMH	18.00	AMT	15.00	AMX	21.00
AAJ	14.00	AMI	19.00	AMT	16.00	AMX	22.00
AAK	15.00	AMJ	20.00	AMT	17.00	AMX	23.00
AAAL	16.00	AMK	21.00	AMT	18.00	AMX	24.00
AAAL	17.00	AML	22.00	AMT	19.00	AMX	25.00
AAAL	18.00	AMM	23.00	AMT	20.00	AMX	26.00
AAAL	19.00	AMN	24.00	AMT	21.00	AMX	27.00
AAAL	20.00	AMO	25.00	AMT	22.00	AMX	28.00
AAAL	21.00	AMP	26.00	AMT	23.00	AMX	29.00
AAAL	22.00	AMQ	27.00	AMT	24.00	AMX	30.00
AAAL	23.00	AMR	28.00	AMT	25.00	AMX	31.00
AAAL	24.00	AMS	29.00	AMT	26.00	AMX	32.00
AAAL	25.00	AMT	30.00	AMT	27.00	AMX	33.00
AAAL	26.00	AMU	31.00	AMT	28.00	AMX	34.00
AAAL	27.00	AMV	32.00	AMT	29.00	AMX	35.00
AAAL	28.00	AMW	33.00	AMT	30.00	AMX	36.00
AAAL	29.00	AMX	34.00	AMT	31.00	AMX	37.00
AAAL	30.00	AMY	35.00	AMT	32.00	AMX	38.00
AAAL	31.00	AMZ	36.00	AMT	33.00	AMX	39.00
AAAL	32.00	AM1	37.00	AMT	34.00	AMX	40.00
AAAL	33.00	AM2	38.00	AMT	35.00	AMX	41.00
AAAL	34.00	AM3	39.00	AMT	36.00	AMX	42.00
AAAL	35.00	AM4	40.00	AMT	37.00	AMX	43.00
AAAL	36.00	AM5	41.00	AMT	38.00	AMX	44.00
AAAL	37.00	AM6	42.00	AMT	39.00	AMX	45.00
AAAL	38.00	AM7	43.00	AMT	40.00	AMX	46.00
AAAL	39.00	AM8	44.00	AMT	41.00	AMX	47.00
AAAL	40.00	AM9	45.00	AMT	42.00	AMX	48.00
AAAL	41.00	AM0	46.00	AMT	43.00	AMX	49.00
AAAL	42.00	AM1	47.00	AMT	44.00	AMX	50.00
AAAL	43.00	AM2	48.00	AMT	45.00	AMX	51.00
AAAL	44.00	AM3	49.00	AMT	46.00	AMX	52.00
AAAL	45.00	AM4	50.00	AMT	47.00	AMX	53.00
AAAL	46.00	AM5	51.00	AMT	48.00	AMX	54.00
AAAL	47.00	AM6	52.00	AMT	49.00	AMX	55.00
AAAL	48.00	AM7	53.00	AMT	50.00	AMX	56.00
AAAL	49.00	AM8	54.00	AMT	51.00	AMX	57.00
AAAL	50.00	AM9	55.00	AMT	52.00	AMX	58.00
AAAL	51.00	AM0	56.00	AMT	53.00	AMX	59.00
AAAL	52.00	AM1	57.00	AMT	54.00	AMX	60.00
AAAL	53.00	AM2	58.00	AMT	55.00	AMX	61.00
AAAL	54.00	AM3	59.00	AMT	56.00	AMX	62.00
AAAL	55.00	AM4	60.00	AMT	57.00	AMX	63.00
AAAL	56.00	AM5	61.00	AMT	58.00	AMX	64.00
AAAL	57.00	AM6	62.00	AMT	59.00	AMX	65.00
AAAL	58.00	AM7	63.00	AMT	60.00	AMX	66.00
AAAL	59.00	AM8	64.00	AMT	61.00	AMX	67.00
AAAL	60.00	AM9	65.00	AMT	62.00	AMX	68.00
AAAL	61.00	AM0	66.00	AMT	63.00	AMX	69.00
AAAL	62.00	AM1	67.00	AMT	64.00	AMX	70.00
AAAL	63.00	AM2	68.00	AMT	65.00	AMX	71.00
AAAL	64.00	AM3	69.00	AMT	66.00	AMX	72.00
AAAL	65.00	AM4	70.00	AMT	67.00	AMX	73.00
AAAL	66.00	AM5	71.00	AMT	68.00	AMX	74.00
AAAL	67.00	AM6	72.00	AMT	69.00	AMX	75.00
AAAL	68.00	AM7	73.00	AMT	70.00	AMX	76.00
AAAL	69.00	AM8	74.00	AMT	71.00	AMX	77.00
AAAL	70.00	AM9	75.00	AMT	72.00	AMX	78.00
AAAL	71.00	AM0	76.00	AMT	73.00	AMX	79.00
AAAL	72.00	AM1	77.00	AMT	74.00	AMX	80.00
AAAL	73.00	AM2	78.00	AMT	75.00	AMX	81.00
AAAL	74.00	AM3	79.00	AMT	76.00	AMX	82.00
AAAL	75.00	AM4	80.00	AMT	77.00	AMX	83.00
AAAL	76.00	AM5	81.00	AMT	78.00	AMX	84.00
AAAL	77.00	AM6	82.00	AMT	79.00	AMX	85.00
AAAL	78.00	AM7	83.00	AMT	80.00	AMX	86.00
AAAL	79.00	AM8	84.00	AMT	81.00	AMX	87.00
AAAL	80.00	AM9	85.00	AMT	82.00	AMX	88.00
AAAL	81.00	AM0	86.00	AMT	83.00	AMX	89.00
AAAL	82.00	AM1	87.00	AMT	84.00	AMX	90.00
AAAL	83.00	AM2	88.00	AMT	85.00	AMX	91.00
AAAL	84.00	AM3	89.00	AMT	86.00	AMX	92.00
AAAL	85.00	AM4	90.00	AMT	87.00	AMX	93.00
AAAL	86.00	AM5	91.00	AMT	88.00	AMX	94.00
AAAL	87.00	AM6	92.00	AMT	89.00	AMX	95.00
AAAL	88.00	AM7	93.00	AMT	90.00	AMX	96.00
AAAL	89.00	AM8	94.00	AMT	91.00	AMX	97.00
AAAL	90.00	AM9	95.00	AMT	92.00	AMX	98.00
AAAL	91.00	AM0	96.00	AMT	93.00	AMX	99.00
AAAL	92.00	AM1	97.00	AMT	94.00	AMX	100.00

Continued on Page 17

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Closing prices, August 31

Table of American Stock Exchange Composite Closing Prices for August 31, 1984. Columns include 12 Month High/Low, Stock Name, Div. Yld., P/E, 100s, and Change. Includes sub-sections like C-C, F-F, G-G, H-H, J-J, K-K, L-L, M-M, N-N, O-O, P-P, Q-Q, R-R, S-S, T-T, U-U, V-V, W-W, X-X, Y-Y, Z-Z.

Continued on Page 18

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Table of New York Stock Exchange Composite Closing Prices. Columns include 12 Month High/Low, Stock Name, Div. Yld., P/E, 100s, and Change. Includes sub-sections like A-A, B-B, C-C, D-D, E-E, F-F, G-G, H-H, I-I, J-J, K-K, L-L, M-M, N-N, O-O, P-P, Q-Q, R-R, S-S, T-T, U-U, V-V, W-W, X-X, Y-Y, Z-Z.

Notes regarding sales figures and dividend information. Text includes: 'Sales figures are unaffiliated yearly high and low... reflect the previous 52 weeks plus the current week...'. 'a-dividend also extra; b-annual rate of dividend plus stock dividend; c-dividend declared; d-called, d-nv yearly; e-dividend declared or paid in preceding 12 months; g-dividend in Canadian funds; subject to 15% non-resident tax; h-dividend declared after split-up or stock dividend; i-dividend paid this year, omitted, deferred, or no action taken at least 60 days before meeting; j-dividend declared or paid this year, an accumulative issue with dividends in arrears; k-new issue in the past 52 weeks; l-high range begins with the start of trading; m-most recent day delivery; n-15% non-resident tax; o-dividend declared or paid in preceding 12 months, plus stock dividend; p-stock split; q-dividends begin with date of split; r-dividend paid in stock in preceding 12 months; s-accumulated cash value on ex-dividend or ex-distribution date; u-newly issued; v-trading halted; w-bankruptcy or receivership or being reorganized under the Bankruptcy Act; or securities assumed by such companies; x-dividend or ex-rights; y-dividend distribution; z-without warrants; aa-dividend and sales in full; yld-yield; s-sales in full.

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WORLD STOCK MARKETS

OVER-THE-COUNTER

Nasdaq national market, closing prices, August 31

Table of Nasdaq national market closing prices for August 31, listing various stocks and their prices.

CANADA

TORONTO

Closing prices August 31

Table of Toronto stock market closing prices for August 31, listing various Canadian stocks.

AUSTRIA

Table of Austrian stock market closing prices for August 31, listing various Austrian stocks.

FRANCE

Table of French stock market closing prices for August 31, listing various French stocks.

HONG KONG

Table of Hong Kong stock market closing prices for August 31, listing various Hong Kong stocks.

SWITZERLAND

Table of Swiss stock market closing prices for August 31, listing various Swiss stocks.

SPAIN

Table of Spanish stock market closing prices for August 31, listing various Spanish stocks.

GERMANY

Table of German stock market closing prices for August 31, listing various German stocks.

SINGAPORE

Table of Singapore stock market closing prices for August 31, listing various Singapore stocks.

JAPAN

Table of Japanese stock market closing prices for August 31, listing various Japanese stocks.

NORWAY

Table of Norwegian stock market closing prices for August 31, listing various Norwegian stocks.

AUSTRALIA

Table of Australian stock market closing prices for August 31, listing various Australian stocks.

MONTREAL

Table of Montreal stock market closing prices for August 31, listing various Montreal stocks.

NETHERLANDS

Table of Dutch stock market closing prices for August 31, listing various Dutch stocks.

ITALY

Table of Italian stock market closing prices for August 31, listing various Italian stocks.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Table of American stock exchange closing prices for August 31, listing various US stocks.

Advertisement for 'New Hand-delivery same-day service expands in Denmark' by Scandinavian Times, featuring a map of Scandinavia and contact information.

WORLD STOCK MARKETS

OVER-THE-COUNTER

Table of over-the-counter stock prices with columns for Stock, Sales (Units), High, Low, Last, and Change. Includes sub-sections for Continued from Page 18, P-O, and X-Y-Z.

Advertisement for BLESMA (British Limbless Service Men's Association) featuring a photo of a man and text: 'WE THE LIMBLESS, LOOK TO YOU FOR HELP'.

NEW YORK INDICES

Table of New York stock indices including Dow Jones, Standard and Poors, and NYSE All Common, with columns for date, high, low, and change.

Table of international stock indices for Australia, Belgium, Denmark, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, and Switzerland.

Table of international stock prices for various countries including Australia, Belgium, Denmark, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, and Switzerland.

Table of New York Active Stocks with columns for Stock, Change, and Price.

Market commentary and news snippets, including mentions of the Japanese Nikkei and various market movements.

Table of international stock prices for various countries including Australia, Belgium, Denmark, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, and Switzerland.

Advertisement for Bell Helicopter Textron featuring a photo of a Bell 214 SuperTransport helicopter and text: 'Go the distance in a Bell 214 SuperTransport'.

Table of Base Lending Rates for various banks and financial institutions.

Advertisement for Roosevelt and Churchill featuring a photo of a bottle of gin and text: 'ROOSEVELT AND CHURCHILL: A TALE OF TWO MARTINIS'.

Table of international stock prices for various countries including Australia, Belgium, Denmark, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, South Africa, Spain, Sweden, and Switzerland.

Contracts & Tenders

Large advertisement for the concession to operate games of chance in the Estoril Gaming Area of Portugal, including details on the bidding process and contact information for the Inspector-General.

REPUBLIC OF BURUNDI

Official notice from the Ministry of Commerce and Industry of the Republic of Burundi regarding a tender for agricultural equipment.

Advertisement for International Construction Tender Alert, featuring the ICW logo and contact information for Ann Kelley.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, British Group, Brown Shipley & Co. Ltd., and others, with columns for name, manager, and performance data.

FT UNIT TRUST INFORMATION SERVICE

Large table providing detailed information for numerous unit trusts, including names like Key Fund Managers Ltd., Perpetual Unit Trust, and others, with columns for name, manager, and performance.

Financial Times Monday September 3 1984

Table listing various insurance policies and services, including City of Westminster Assurance, General Purpose Life Ins. PLC, and others.

INSURANCES

Table listing insurance companies and their services, including Abbey Life Assurance Co. Ltd., and others.

F.T. CROSSWORD PUZZLE No. 5507

- 1 It makes a place look like a pigsty (6)
2 Settler in Panama? (5)
3 Importance of tidying jumble (7)
4 Examine after an attack—expected to survive (7)
5 What dogs do around trees (4)
6 German leader has the opportunity to turn back (10)
7 Highly bred? (6)
8 Anticipate charge for concealing minerals (7)
9 A steve isn't a pretty sight (7)
10 He gets the game off to a flying start (6)
11 See 7 down
12 Help comes from Elizabeth (4)
13 Duplicate parcel I made up (7)
14 Sack for someone who collects money (7)
15 Get up late? (6)
16 A shipwreck holds nothing for her (6)
17 DOWN
18 Hen or beetle (8)
19 Presumably it shouldn't have the lion's share of the bed (3, 4)
20 It's bad to be overthrown (4)
21 Switch positions from time to time (3, 3)
22 Honestly devoid of cant (2, 3, 5)
23 7 and 24 across: The best of friends (5, 10)
24 Private coaches? (6)
25 At the end of lunch they turn to part (5)
26 A novel creed? (10)
27 Found to be less habit-forming (9)
28 18 Angry about dress getting wet (8)
29 A report I put out in the Transvaal (8)
30 The solution to last Saturday's prize puzzle will be published with names of winners next Saturday.

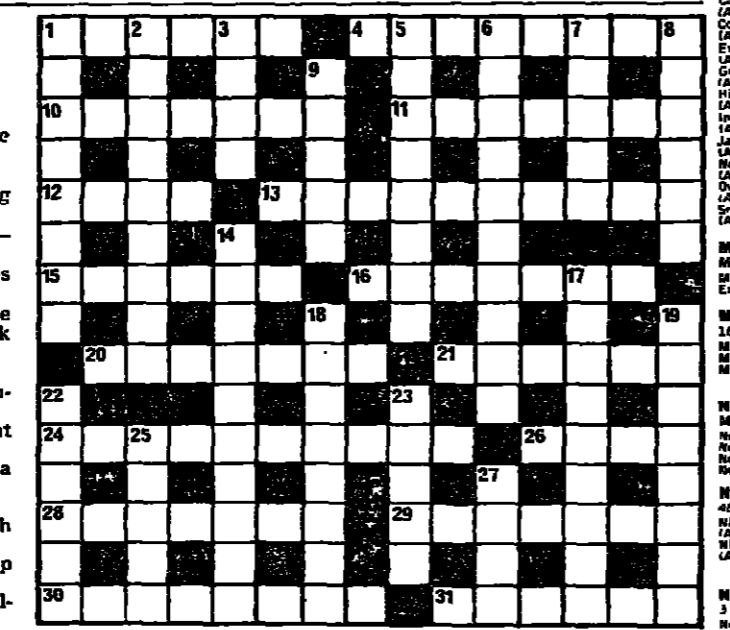


Table listing various insurance policies and services, including Abbey Life Assurance Co. Ltd., and others.

Table listing various insurance policies and services, including Abbey Life Assurance Co. Ltd., and others.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Provident Institution, and various international investment funds.

Table of insurance and overseas funds including Sme & Fraser Group, Target Life Assurance Co Ltd, and various international investment funds.

Table of insurance and overseas funds including CAL Investments (IOM) Ltd, Capital International Fund SA, and various international investment funds.

Table of money market and bank accounts including Money Market, Trust Funds, and various bank account listings.

OFFSHORE AND OVERSEAS

Text describing offshore and overseas investment opportunities, including mentions of Acropolis Investment Fund SA and various international funds.

NOTES section providing additional information and disclaimers regarding the financial data and investment advice.

FT LONDON SHARE INFORMATION SERVICE

Bryant Properties advertisement with contact number 021-704-5111

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and 'Five to Fifteen Years' categories.

Over Fifteen Years

Table of funds categorized as 'Over Fifteen Years'.

Undated

Table of undated funds.

Index-Linked

Table of index-linked funds.

INT. BANK AND O'SEAS GOVT STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of various loans.

Public Good and Ind.

Table of public good and industrial funds.

Financial

Table of financial instruments.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails.

AMERICANS

Table of American stocks.

CANADIANS

Table of Canadian stocks.

BANKS, HP & LEASING

Table of banks, hire purchase, and leasing companies.

LOANS

Table of loans.

Hire Purchase, Leasing, etc.

Table of hire purchase, leasing, etc. services.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks.

BEERS, WINES—Cont.

Continuation of beer, wine, and spirit stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and roads stocks.

DRAPERY & STORES—Cont.

Continuation of drapery and stores stocks.

ELECTRICALS

Table of electrical stocks.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks.

DRAPERY AND STORES

Table of drapery and stores stocks.

DRAPERY & STORES—Cont.

Continuation of drapery and stores stocks.

ENGINEERING—Continued

Continuation of engineering stocks.

ENGINEERING

Table of engineering stocks.

FOOD, GROCERIES, ETC

Table of food, grocery, and other stocks.

HOTELS AND CATERERS

Table of hotel and catering stocks.

ENGINEERING

Table of engineering stocks.

HOTELS AND CATERERS

Table of hotel and catering stocks.

ENGINEERING—Continued

Continuation of engineering stocks.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial stocks.

Hotels and Caterers section header and initial data.

Main table of hotels and caterers stocks.

Handwritten signature or mark at the bottom of the page.

شركة الصناعات

Financial Times Monday September 3 1984

INDUSTRIALS—Continued

Table of industrial stocks including Anglo American, Anglo Japanese, Anglo American, Anglo Japanese, Anglo American, Anglo Japanese, Anglo American, Anglo Japanese.

LEISURE—Continued

Table of leisure stocks including Leisure, Leisure, Leisure, Leisure, Leisure, Leisure, Leisure, Leisure.

PROPERTY—Continued

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including Investment Trusts, Investment Trusts, Investment Trusts, Investment Trusts, Investment Trusts, Investment Trusts, Investment Trusts, Investment Trusts.

OIL AND GAS—Continued

Table of oil and gas stocks including Oil and Gas, Oil and Gas, Oil and Gas, Oil and Gas, Oil and Gas, Oil and Gas, Oil and Gas, Oil and Gas.



MINES—Continued

Table of mine stocks including Central African, Australians, Tins, Miscellaneous, Overseas Traders, Plantations, Teas, Rubbers, Palm Oil, Far West Rand, Eastern Rand, O.F.S., Finance, Tobacco, Investment Trusts, Finance, Land, Trusts, Finance, Land, Property, Leisure.

INSURANCE

Table of insurance stocks including Insurance, Insurance, Insurance, Insurance, Insurance, Insurance, Insurance, Insurance.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including Regional, Irish, Regional, Irish, Regional, Irish, Regional, Irish.

LEISURE

Table of leisure stocks including Leisure, Leisure, Leisure, Leisure, Leisure, Leisure, Leisure, Leisure.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

PROPERTY

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PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

PROPERTY

Table of property stocks including Property, Property, Property, Property, Property, Property, Property, Property.

